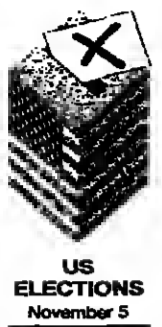


صكنا من الامل

Powell shows power over Republican fortunes



US ELECTIONS November 5

Bad speech as debate currency, good speeches are two a penny, but great ones are like gold dust. American political conventions have seen them all, but the Republicans and a watching nation saw something with a fair quotient of carats on Monday night, courtesy of a retired black general by the name of Colin Powell.

It bore comparison with Ronald Reagan at his most uplifting and George Bush's fine acceptance speech of 1988, until he offered a fatal hostage to fortune with his "read my lips, no new taxes" pledge. Of Democrats in the last 20 years, only the late Barbara Jordan in 1976 and Governor Mario Cuomo of New York in 1984 have seen in the same passionate yet eloquent league.

It was an address that any presidential nominee of either party intent on straddling the broad middle ground would have given

several eye teeth to have been able to deliver. If Bob Dole, improbably, could match it in his acceptance of the nomination on Thursday night, he might be on his way to the White House.

It also provided Republicans with a glimpse of what might have been - if Mr Powell had not forsworn a presidential bid last November and if the party had not moved too far to the right for his comfort - and of what could still be, four years from now, should the hunger enter his soul.

Mr Powell spoke of the American dream, as the son of a Jamaican immigrant "who came here to work hard and came home on Friday nights with the fruits of their labour". This is not exactly the perception of welfare-seeking, job-stealing immigrants which now permeates the Republican party (or the left wing of the Democratic party, come to that).

He spoke of the "values" instilled in him as a young black "second class citizen" that "justice will eventually triumph". But he talked of "family values" not in the contemporary language of right or left but as the hallmark against generalised



Haley Barbour (left), Republican national committee chairman, congratulates Colin Powell after his address

images of "violence, vulgarity and incivility".

But, above all, he spoke of why he was a Republican and here he pulled relatively few punches. The party, he proclaimed, "must always be the party of inclusion - the Hispanic immigrant, made a citizen yesterday, must be as precious to us as the Mayflower descendant". That might be interpreted as criticism of the Republican drive to make English the official

language of the US.

So it was with racial discrimination "which must be ripped out branch and root". He went on: "Where discrimination still exists - or where the scars of past discrimination still exist - let us not declare a level playing field". The Republican platform seeks precisely that.

Then came the unalloyed crunch. "I want to build the big tent. You all know I

believe in a woman's right to choose and in affirmative action," which is exactly what his party platform does not believe in. "But we are a high enough party to disagree and still believe in the common goal."

That was all he said on abortion, which might have been a somewhat different from choice Republicans denied the opportunity at the convention publicly to register their dissent from the religious and cultural conservative positions that are now party policy.

But it was enough to get them out of their seats cheering. It was also enough, in post-mortem television interviews, for the anti-abortion brigade to remind Mr Powell that policy was actually somewhat different from his preference.

There was more in the conventional vein, of his belief in smaller govern-

ment, more economic growth and strong American global leadership.

Bob Dole could not have wanted a warmer endorsement, nor could Jack Kemp, his running mate, whom Mr Powell described, with evident feeling, as "a caring man".

His oratorical style was not perfect - the body language sometimes jerked a bit and the voice rose almost to a screech at the patriotic coda - but there was little doubt he held the convention in the palm of his hand.

Former presidents Gerald Ford and George Bush had made several of the same points earlier, and the reception they received was conventionally polite. But even they would concede they are yesterday's leaders.

Mr Powell, on the other hand, is definitely today's, maybe tomorrow's, and in any case different. His status, as the first black man to rise from obscurity to head an American military that was segregated until President Harry Truman ordered otherwise less than 50 years ago, gives him an acceptability that crosses racial lines and transcends the capabilities of most ordinary politicians.

Not all, it must be said. Martin Luther King could do it, but he was outside party politics and had a cause as well as a dream. There is nothing false about the deep feelings Democratic presidents such as Jimmy Carter and Bill Clinton have about racial discrimination and social inequality, harboured equally, if often more reticently, by any number of good Republicans, among them Bob Dole and Jack Kemp.

But in the partisan nature of contemporary politics these are subjects more often addressed to audiences of the already converted or in the sort of controversial loaded legislation in which Washington has been a wash.

One speech by a man who is not a candidate for national office cannot of itself rescue a party, any more than Mario Cuomo could the Democrats 12 years ago. But if Mr Powell delivers a few more like it on Bob Dole's behalf in the weeks to come, there is no telling what the consequences may be, ranging from a Republican presidency to a party whose dogmatic right takes a walk.

Jurek Martin

Pathos comes right on cue in made-for-TV extravaganza

The story line hit all the facile highs and lows of soap opera. The studio audience cried and clapped on cue. None of the actors fluffed their lines, and some struck notes of plausible pathos. No cliché of cinematic technique was spared in the search for the perfect visual.

Republican Convention 1996 - the mini-series - made its debut Monday night on prime-time television. Everything was done to ensure that a nation of channel surfers - many of whom "surf" political parties like they do television channels - paused long enough to notice.

First of all, they were guaranteed the best seats in the house. For any tattered armchair before any 20-inch screen in the nation was preferable to the choicest spot on the convention floor.

Delegates from Kansas. Senator Bob Dole's home state, were just about close enough to the stage to distinguish a speaker's smile from a grimace. But

Patti Waldmeir eschews the convention floor for an armchair to catch a slice of the action in San Diego's prime-time soap opera

those from a host of other states could not see the stage at all. The press box scored a perfect zero for visibility. So, just like the folks back home, almost everyone in the hall watched the proceedings on video. This truly was a case where TV was better than life.

Republican strategists boast that they scripted their convention entirely for television. Mr Paul Manafort, the convention manager, says the major networks have historically carried 15 minutes of anchorman's comments, commercials and correspondents reports for every hour of convention business. So he gave the networks exactly what he thought they wanted: 45 minutes of fast-paced action, bleated speeches, and slick videos, along with 15 minutes of marginal material

designed for the network knife. And he scheduled the action to take place at East Coast prime time, with the climax from 10pm to 11pm.

Mr Manafort claims the aim was to encourage political dialogue with the millions beyond convention walls. But he also knows that a nation of channel surfers prefers the visual to the verbal, and neither in large doses. So most speakers were told to limit speeches to 90 seconds - about the time it took to salute the American dream, invoke the crisis in American families and touch the other hallowed bases of Republicanism before giving way to the next speaker to do the same.

To lighten the whole, he produced a sprinkling of lyrical videos showing "real people" in sentimental settings

designed to demonstrate Republican links with "ordinary Americans".

Mr Manafort need not have bothered counting his minutes: even CNN, the most politically addicted of the networks, focused on the stage for only about five minutes of its first hour of evening coverage. At the top of the hour, the network broadcast a Red Indian chief reciting the pledge of allegiance and a young black boy singing the national anthem.

Then for nearly 50 minutes - as podium speakers droned on in the background - CNN scripted its own convention. Reporters interviewed Republican luminaries on the convention floor. Without a hint of irony, television pundits bemoaned the sorry state of politics in the made-for-TV age.

when one of the great pageants of American life had been reduced to sitcom. And for the ultimate in surreal television experiences, CNN took us to a little town in Ohio to watch live footage of voters... watching the convention on TV.

But none of the networks could resist the pull of the podium when Mary Fisher, an AIDS sufferer, rose to declare that she meant to "live and die a Republican", or when a small black girl at her side read out her own composition, a poem entitled: "I am the future and I have AIDS." Nor could they resist cutting immediately to the floor for snapshots of tearful delegates.

Appropriately, it was former President Ronald Reagan - first master of the televised image - who finally cap-

tured the network cameras. Television screens were filled with the saccharine images of a video tribute to the former leader prepared by the Republican party, and broadcast in the hall. Then Mrs Nancy Reagan stepped to the podium to deliver her own moving salute to a husband dying of Alzheimer's disease, and grown men were shown weeping. Finally, the convention organisers had successfully struck their chosen chord: nostalgia. And no network anchorman got between them and their message.

But the drama was incomplete until retired General Colin Powell rose to deliver his own true-life tale of the poor black boy who might have become president. In a campaign whose central theme has been mourning the American dream, Gen Powell stood on the podium as a product of that dream and implored his countrymen to believe in it. And he ended his speech on the dot of 11pm eastern time. Just like the script said he would.

AMERICAN NEWS DIGEST

US consumer prices edge up

US consumer prices rose 0.3 per cent in July, ahead of most forecasts, suggesting inflationary forces are not entirely dormant. Separate data showed retail sales edging forward last month, indicating consumer demand is holding up better than many Wall Street economists expected.

The figures, however, were not seen as altering the outlook for monetary policy. The Federal Reserve is widely expected to hold interest rates steady at its next policy meeting on August 20.

Consumer prices rose 0.3 per cent last month, reflecting large increases in the cost of food and hotel accommodation. Economists had expected a gain of about 0.2 per cent. In the past six months consumer prices have risen at an annualised 3.5 per cent, up sharply from 2.5 per cent during 1995 as a whole.

However, the core consumer price index, which excludes food and energy, shows little sign of acceleration. Core prices were up 0.3 per cent last month, and at an annualised 3 per cent in the past six months, in line with last year's increase.

Retail sales rose 0.1 per cent, against projections of a 0.2 per cent contraction. But for a sharp fall in car sales which are volatile on a monthly basis, sales would have been up 0.3 per cent.

Figures for June were revised down to show a fall of 0.5 per cent, rather than 0.2 per cent.

Economists are divided on whether the slowdown in sales reflects a temporary pause or a broader deceleration of economic activity in the second half. If the slowdown proves lasting, Fed policy could stay on hold until after November's election.

Michael Prouse, Washington

Zedillo dismisses investigator

President Ernesto Zedillo of Mexico has dismissed the special prosecutor investigating the assassination in 1994 of Mr Luis Donaldo Colosio, the ruling party's presidential candidate, after a key defendant in the murder trial was acquitted last week. Mr Pablo Chapa Bezanilla was the third special prosecutor to fail to unravel the case.

Mr Colosio was shot dead while campaigning in the border town of Tijuana. The government initially said the assassination was the work of a sole gunman, who was caught at the scene of the crime, tried and jailed for 45 years.

Mr Chapa Bezanilla, however, sought to prove the assassination was a conspiracy with two gunmen involved. His case collapsed when a just acquitted the alleged second gunman last week. Mr Chapa Bezanilla was also unable to shed any light on who wanted Mr Colosio dead.

Solving the Colosio murder case has become a test of Mr Zedillo's commitment to improving law enforcement. The legal setback brought calls for the resignation of Mr Antonio Lozano, the federal attorney-general, who is the only member of an opposition party in Mr Zedillo's cabinet, but the president's office has confirmed Mr Lozano in his post.

Leslie Crawford, Mexico City

Jamaica sells refinery stake

The Jamaican government has sold for \$68m a 70 per cent interest in the island's only oil refinery to a consortium led by the company's managers. American Trading of the US and Austin Blades of Austria are the other partners. With the latter securing financing for the sale.

This is the second of three planned privatisations, following that of Air Jamaica last under two years ago.

Caroline James, Kingston

Bold start to Argentine war on deficit

It must have come as some embarrassment for Mr Roque Fernandez, Argentina's new economy minister, that only hours after announcing his much-awaited austerity package on Monday night, President Carlos Menem should have unceremoniously vetoed two of the measures.

Mr Meoem considered it politically inopportune to levy VAT on previously exempted books, magazines and state-subsidised private education, forcing Mr Fernandez to withdraw these proposals.

The disagreement between Mr Fernandez and Mr Menem probably owes more to the haste with which the package was finally announced than to lack of political support. By limiting his objections to two issues, Mr Menem has in fact put his name to what La Nacion newspaper calls the "severest austerity package in years".

The main aim of that package is to close a budget deficit which Mr Fernandez admitted was hurtling towards \$6.1bn this year - \$4.1bn more than agreed with the IMF. Measures, including a controversial increase in diesel and petrol prices and an end to several VAT exemptions, would save the Treasury \$4bn-\$4.5bn annually.

Mr Fernandez will seek legislation to ensure that extra revenue, earmarked to shore up the social security system, is not shared with the provinces. The economy minister, who has been in intense negotiations with congressmen from the ruling Peronist party, said he was confident of legislative support.

Argentine Brady bonds and securities opened slightly down in international markets yesterday as investors took the view that further austerity would impact on growth. On Monday Mr Fernandez downgraded growth estimates for 1996 from 6 to 4 per cent. Most analysts expect further downgrades to follow.

Mr Jerome Booth, head of

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David Pilling

NEWS: WORLD TRADE

Manila to push for Apec unity

By Edward Luce in Manila
The Philippines will press the Asia Pacific Economic Co-operation Forum to agree a common line on competition policy, investment rules and intellectual property rights ahead of the World Trade Organisation's first ministerial meeting in December.

Apec preparatory meeting in Davao, southern Philippines, next week. Mr Federico Macaranas, the Philippine chairman of Apec in 1996, said it was vital for the 18-member free trade forum, which accounted for 48 per cent of global trade in 1995, to speak with one voice at the WTO meeting in Singapore.

China, which has yet to become a member of the WTO, is also thought to be reluctant to turn Apec into a motor of stronger global trade liberalisation.

On the other side, the Philippines, Australia and Canada have voiced support for a unified Apec stance in Singapore.

The Davao meeting, on August 21-23, will also focus on moves to harmonise the 18 Apec individual action plans submitted earlier this year to remove all barriers to trade within the group by 2020 for developing member countries and 2010 for developed economies.

Czechs reject Unisys appeal

By Vincent Boland in Prague
The Czech competition office yesterday rejected an appeal by Unisys against the cancellation of a military contract won by the US technology group in a tender last year.

French groups in nuclear deal

The export of French nuclear technology received an important boost yesterday when Cogema and SGN, two nuclear materials and reprocessing groups, announced details of a \$300m contract as part of a consortium's \$5bn award to clear up one of the most important sites in the US. Cogema and SGN will help co-ordinate the management and clearance of the US military complex at Hanford in Washington state, the site which provided the plutonium for the Manhattan project to develop the atomic bomb used in October 1945.

East Europe car demand 'set to double by 2006'

By Kevin Done, East Europe Correspondent
New car demand in east Europe and the former Soviet Union is set to double during the next 10 years, reaching 2.9m by 2006, according to a study by DRI/McGraw Hill and PlanEcon.

Car sales in east Europe exceeded expectations last year and "remain exceptionally strong" in 1996, said Ms Carol Thomas, DRI vehicles analyst. Production, which reached a low of 1.6m in 1994, is forecast to grow to 2.7m by 2001 and to 3.2m by 2006.

Eastern Europe: car industry forecasts

Table with columns for countries (Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia, Russia, Ukraine, Uzbekistan) and years (1994, 1995, 1996, 2001) for sales and production in 000 units.

greater capacity than local and export demand will justify," said Ms Thomas. Daewoo of South Korea, the most significant new entrant into east Europe's motor industry, is alone planning to produce about 750,000 cars and light trucks by the end of the decade at plants in Poland, Romania, the Czech Republic and Uzbekistan.

Among the biggest markets in the region, the study forecasts new car sales in Russia growing from 683,000 last year to 1,036m in 2001, with Polish sales in the same period up from 284,000 to 399,000 and Czech sales up from 112,000 to 188,000.

Russian and Ukrainian carmakers continue to operate "largely in isolation" from the rest of the world with only limited western components, but the DRI report forecasts that more than 100,000 cars with western brand names could be produced in Russia by 2001.

Kazakh sell-off breaks power monopoly

Kazakhstan sold off its largest power station and the capital's energy monopoly to foreign investors yesterday in an attempt to revive energy production and cut dependence on its neighbours, writes Sander Thomas in Almaty.

The purchases top off a sale of power stations, mostly to foreign investors who operate nearby metal smelters, the largest consumers of electricity. In addition, Asea Brown

Boveri, the Swiss-Swedish industry group, is negotiating a contract for construction, finance and operation of a 300MW coal-fired power station 400km north of Almaty.

"All these projects will help us achieve independence in energy production. Our challenge is to get these power stations some working capital as quickly as possible," said Mr Victor Khrapunov, energy and coal industry minister. "The stations are practically broke. We have only a few months left until winter."

Last winter brought home the weaknesses of Kazakhstan's energy system which is dependent on imports from Russia and Uzbekistan even though the country is rich with oil, gas and coal. Russia and Uzbekistan repeatedly cut supplies because of unpaid debts, causing power failures and forcing heating stations to shut down in freezing conditions.

NEWS: INTERNATIONAL

S Africa moves on Moslem militants

By Roger Matthews in Cape Town
South African police moved against members of the militant Moslem organisation People Against Gangsterism and Drugs (Pagad) in Cape Town yesterday following threats of more violence and suggestions of international involvement.

Earlier this month gunmen among hundreds of Pagad members shot dead one of the city's most notorious drug dealers, but police made no effort to intervene. Mr George Fivaz, the national police commissioner, later held talks with

Pagad leaders but failed to persuade them to work with the authorities and abandon what he described "as their deliberate strategy of violence".

Mr Farouk Jaffer, a Pagad spokesman who on Sunday addressed a mass rally, said yesterday he would not hide to avoid arrest, and said the campaign against lawlessness would be converted into a holy war.

Mr Ali Parker, another Pagad leader, was quoted yesterday as saying that help was being sought from Hizbollah, the militant Lebanese organisation, and

state of emergency. The Institute for Defence Policy joined in, telling a defence review in parliament that the armed forces were still preparing to fight the last war, and not to contain the real security threat posed to the nation.

Moi profits from opposition squabbling

Elections may not be due in Kenya until the end of 1997, but most Kenyans believe they already know the outcome of the forthcoming polls: another term for President Daniel arap Moi, at the helm since 1978.

Safina, the party set up by opposition dissidents and conservationist Dr Richard Leakey, remains unregistered more than a year after its launch, unable to build on the excitement that greeted its creation.

With a real possibility of each faction fielding its own presidential candidate, splitting the opposition vote five ways and repeating the scenario that handed Mr Moi victory in 1992, small wonder even traditional opposition supporters are looking at Kanu with new eyes.

Although its position looks enviably strong, Kanu is stalling for more than a year. A two-thirds majority in parliament would allow it to alter the constitution as it wishes, and some analysts are convinced the party is determined to achieve that in order to scrap a provision preventing Mr Moi running after 1997.

All eyes are on a presidentially appointed electoral commission drawing up new constituency boundaries. The commission was originally due to announce 22 new constituencies, but Mr Moi has recommended an extra 50 to 60, triggering fears a disproportionate number would be located in pro-Kanu areas in order to attain the required majority.

While voters are wondering whether it is worth turning out on election day, foreign donors are muting their once virulent criticism of the government, despite signs of continuing human rights abuse and new evidence of official corruption.

INTERNATIONAL NEWS DIGEST Crisis talks on N-test treaty

International negotiators went into crisis talks yesterday in an attempt to salvage a global nuclear test ban treaty which is threatened by objections from both India and Iran.

A formal negotiating session at the United Nations' Palais des Nations in Geneva was suspended within minutes of its start and Mr Jaap Ramaker, the chairman, called for private consultations before another meeting.

Mr Yasser Arafat, president of the Palestinian Authority, and other senior officials yesterday called Israel's decision to set up nearly 300 mobile homes in Jewish settlements a clear violation of their self-rule deal.

Mr Ahmed Abdel-Rahman, director-general of the Palestinian cabinet, said the government could not expect his community to accept peace on the basis of land confiscation.

The move was the first actual decision on settlements since August 2 when the rightwing government of Mr Benjamin Netanyahu lifted restrictions on Jewish settlement building imposed by the previous Labour government.

An Italian joint venture has won a \$408m contract to build a spectacular mosque in Abu Dhabi, the latest in a series of lavish religious buildings in the region.

An industry source said Impregilo-Rizzani de Eccher had been told it had won the contract for the marble and granite mosque, which will hold 7,000 worshippers, will be topped by 110 metre minarets and will be ringed by gardens, water fountains and walkways.

Several international companies, including France's Bouygues, Sweden's Skanska, and Spain's Dragages y Construcciones were competing to build the Grand Mosque of Sheikh Zaid bin Sultan II.

Sheikh Zaid's close friend, King Hassan of Morocco opened the Hassan II Grand Mosque in Casablanca in 1994, said to have the world's tallest minarets.

Construction of Oman's largest mosque, which will accommodate more than 15,000 people, is also due for completion next year.



Supporters of one of the two main factions of FORD-Kenya attack a member of another faction in Thika, after a party congress turned to violence.

But Mr Odinga, son of Mr Oginga Odinga, the late FORD founder, has always regarded the leadership of FORD-Kenya as his by right and was merely biding his time until an opportunity to stage a coup presented itself.

The squabbling has not only undermined plans to field a single opposition candidate in the polls. It is also sabotaging what many opposition supporters regard as even more crucial: a campaign to reform a constitution heavily weighted in favour of the incumbent.

دكتور من الامم

Fraud probe delays Thai bank licences

By Ted Sardacki in Bangkok

The Thai cabinet yesterday approved three new domestic banking licences but they could not be officially awarded until an investigation was completed into allegations that the successful bidders paid bribes during the selection process.

But it further delayed Thailand's long-standing plans for the liberalisation of its financial sector. Last April, a committee of senior bureaucrats from the Bank of Thailand and the Ministry of Finance recommended that groups led by General Finance & Securities, Italian-Thai Development and MBK Property be given banking licences, the first such licences to be issued since 1986.

Deputy Prime Minister Gen Chavalit Yongchaiyudh repeatedly complained the rules should be bent so the War Veterans Organisation could be awarded a licence and its doing so prevented the issue from being brought before the cabinet on schedule. Last week Justice Minister Chalerm Yoobanrungsung said BHT50m (\$80m) had been paid to unnamed ministers by each of the winning groups. He said Prime Minister Banharn should resign in favour of Gen Chavalit, who is also Defence Minister.

Mr Amnuay Viravan, foreign minister, to lead a committee to investigate the bribery allegations but gave it no deadline by which to complete its inquiry. Mr Bodi Chunnananda, finance minister, said he would award the licences on his own authority if the investigation took too long. Analysts said the compromise was aimed at keeping the coalition intact while giving the false impression the bank licensing process was going forward.

being detailed because of international political disputes," said Mr Scott Christensen, a banking analyst at Jardine Fleming Thana-kom Securities. An executive with one of the winning groups said the bribery allegations were "the normal sour grapes from the losers" and were being used by politicians as a bargaining chip within the coalition. "We put in a very good application and a very well respected panel of civil servants said we qualified. We're just caught up in a political battle, that's all," he said.

Penang finds it tough staying on top

The island of Penang is full of reminders of the cycle of boom and bust. Colonial mansions built by the British with money from free port trade now stand dilapidated. Palaces once erected by tin tycoons are being slowly digested by ants, and local government officials recall with a shudder the 1980s when a sudden economic decline put 15 per cent of the workforce out of a job.

For more than a decade, however, Penang has been Malaysia's greatest success story, a "silicon island" at the vanguard of the country's transformation from labour intensive manufacturing to high technology.

Now talk of bust is back in the air. "Foreign firms are pulling out," read one newspaper headline recently. And last week a local Chinese newspaper proclaimed on its front page: "5,000 staff lose their rice bowls [jobs] in the first half of the year."

Government officials and executives at foreign electronics companies say that Penang's future is not that gloomy. But the recent slowdown in global demand for electronics products and the departure of some companies is prompting a reassessment of Penang's attractiveness as a manufacturing base.

Grundig, Philips' German subsidiary, closed down its radio, cassette and compact disc player factory in June with the loss of 800 jobs. Hewlett-Packard shut down the disc-drive division of its



plant and Quantum Storage, a US manufacturer, moved its manufacturing operations. Sony, denied a recent press report that it was moving a production line to Indonesia but, like most manufacturers, it acknowledged that it has cut production volumes.

All of which has much to do with Penang's waning cost competitiveness. Wages are rising at between 10 to 15 per cent annually, more than double the gains reaped in productivity, factory managers said.

Dr Mahathir Mohamad, the prime minister, has described this as "suicidal" and called on Malaysians to become "workaholics". However, observers believe such a transformation would be difficult at the best of times, let alone when a chronic nationwide labour shortage ensures that most workers never have to fear

losing their jobs. "Some of our workers leave after two weeks," said the chief executive of a foreign electronics company in Penang. "The reasons they give are absurd: that the chicken food is better somewhere else, or that the bus to work is not too convenient. This is a pampered workforce."

Mr K. Gopalan, manager of the industry and trade division at the state-run Penang Development Corporation, said that turnover in local factories had reached, on average 40 to 60 per cent of the workforce per year. Executives said that, as a rough rule of thumb, electronics manufacturing in Penang will not be viable in the medium term for operations in which labour costs account for 25 per cent or more of total production costs. Several among the 150 or so electronics companies

in Penang fall into this category and Malaysia's government has made clear it will not be sad to see such relatively low-tech and low value-added companies leave. For years Penang's success has come from being a south-east Asian location which can manufacture goods of an acceptable quality more cheaply than neighbouring Singapore. But as costs rise ever nearer to Singapore's levels, other countries in the region such as Thailand, Philippines, Indonesia and China are upgrading the quality of their products.

The costs of power and land rent are also rising steadily, and last week the government announced a series of increases in toll tariffs on the main expressway up and down the Malaysian peninsula. Some manufacturing firms in Penang are also concerned that the US may withdraw the preferential access to its market it provides to developing countries next year. This would hit Malaysia's electronics sector hardest.

These trends leave Penang with one option - to remake itself as much in Singapore's image as possible. Singapore has raised the effectiveness of its workforce many levels above the Malaysian workforce, but we have to become like them," said Mr Boonler Somchit, executive director of the Penang Skills Development Centre (PSDC), a private business founded partly by multinational companies.

Mr Kang Chin Seng, a Penang state executive councillor, said that several other new initiatives are being undertaken to ensure the island's competitiveness. Challenged by the central government's recent plan to attract information technology companies to a 750 sq km multimedia "super-corridor" near Kuala Lumpur, Penang is set to launch a fibre-optic cable network connecting all businesses in Penang by the end of the year.

To help the leap from assembly-based industries to research and development, the state government is involved in a venture capital fund that will assist local companies to pay for the research which prospective foreign partners may bring to a manufacturing joint venture.

The state government too will have to be "re-engineered" for greater efficiency, said Mr Kang. "Actually, the problem of productivity in the factories is not so bad. It is the rest, like the government, where the problem is," he said.

James Kynge

Malaysia lifts Burma's bid to join Asean

By James Kynge in Kuala Lumpur

Efforts to accelerate Burma's admission as a full member of the Association of South East Asian Nations received a boost yesterday after Rangoon welcomed a Malaysian proposal that it should join the Asean club next year.



Than Shwe: 21-gun salute

Mr Ohn Gyaw, Burma's foreign minister, said Rangoon wanted to become a full Asean member "as soon as possible". He supported a new proposal by Dr Mahathir Mohamad, Malaysia's prime minister, that the country should join at Asean's 30th anniversary celebrations next year. Burma was sworn in as an observer member of Asean in Indonesia last month, preparing it for full membership by 2000. Dr Mahathir's suggestion to speed Burma's entry carries special weight because Malaysia is present chairman of the Asean standing committee, meaning it will host and chair next year's anniversary meetings.

The move to welcome Burma early into Asean is sure to provoke concern in the European Union and the US, which have sharply criticised Burma's human rights record and its alleged tolerance of drug-trafficking activities. But Asean, which groups Malaysia, Singapore, Thailand, the Philippines, Brunei, Indonesia and Vietnam, has made it clear western views of its membership will be disregarded.

Mr Ohn said Burma was ready to abide by Asean commitments on liberalising trade but did not give details. Vietnam, when it joined last year, was allowed until 2005 to lower most of its tariffs to less than 5 per cent, three years beyond the 2003 deadline applied to other Asean members. It is likely that Burma will receive a similar concession.

The west and Japan want Burma's military government, the State Law and Order Restoration Council (SLOC), to engage in meaningful dialogue with Ms Aung San Sun Kyi, the oppo-

HK civil service barred from key committee

By John Fiddling in Hong Kong

The Hong Kong government has barred senior civil servants, police and information officers from joining the 400-member committee which will set up the territory's post-1997 government, administration officials said yesterday.

A circular has been sent to the groups concerned informing them of the decision, according to the civil service branch of the administration. Officials said the ban was in line with existing rules on political activities by civil servants and was intended to maintain the political neutrality of the civil service.

The issue has proved particularly sensitive, however, because of controversy surrounding the Selection Committee. The body will nominate Hong Kong's chief executive, who will head the government after the territory returns to China next year, but it will also select the first legislature for the territory after the transfer of sovereignty.

Pro-democracy forces are fiercely opposed to the replacement of the existing legislature, which was voted in last year with a four-year mandate under reforms introduced by Governor Chris Patten. China has pledged to dismantle the legislature, arguing that its formation and Mr Patten's political reforms breached agreements on the handover.

The Democratic party, the largest member of the existing Legislative Council, this week rejected an overture from Beijing to join the Selection Committee, arguing that the scrapping of the legislature is illegal.

Representatives of civil service unions, staff associations and political bodies outside the proscribed groups will be able to decide for themselves whether they

Bangladesh officers who led 1975 coup arrested

By Keesa Naji in Dhaka

Police in Bangladesh yesterday arrested three retired army officers who led a coup 21 years ago that killed the father of Prime Minister Sheikh Hasina.

Police said the men were arrested for possession of illegal arms but the daughter of one of the officers insisted the men were taken in because of their involvement in the military coup which toppled the government of Sheikh Mujibur Rahman, Bangladesh's founding prime minister and father of Sheikh Hasina.

Sheikh Mujibur and most of his family were murdered in the coup. His two daughters were abroad at the time. The arrests came on the eve of the anniversary of the killings which is being marked in Bangladesh for the first time this year. In one of her first decrees, Sheikh Hasina declared the anniversary a national day

of mourning. As an opposition leader before becoming prime minister, she had demanded those involved in the coup be tried. In June, the Communist party urged her to withdraw the amnesty covering those involved in the coup.

The ruling Awami League returned to power in general elections in June after 21 years in opposition. The three arrested men are Col Seyed Farooq Rahman, Col Shaharar Rasheed, and Maj Khuruzaman. Lawyers said it was unlikely the three would be charged with murder as there was a constitutional indemnity against prosecution of anyone on the charge of involvement in the coup.

The coup leaders were granted amnesty by the military government that captured power after the assassination of Sheikh Mujibur. Police said the three were being held under the Special Powers Act, which allows detention without charge of

up to three months of anyone suspected of involvement in terrorism. The three are among a wider group of army officers and senior diplomats whom government officials have accused of involvement in the coup.

In July, the new government recalled a number of the diplomats from overseas postings, triggering rumours that it government would seek to bring all those involved in the coup to justice. The World Bank has cautioned the Bangladesh government that foreign aid for the country would be linked to the government's unequivocal commitment to reforms and radical improvement in the quality of public spending.

ASIA-PACIFIC NEWS DIGEST

Manila export zones prosper

Exports from the Philippines' export processing zones (EPZs) rose by 50 per cent in the first six months of 1996 to \$2.76bn as a result of higher foreign direct investment, said economists. The special zones, which offer tax breaks and waive duties on capital equipment imports for investors, have attracted a growing inflow of investment from Japanese companies in the last 12 months. Exports from the zones, which excludes figures from Subic Bay Freeport and the Clark special economic zone, the two former US military bases which are said to be growing at a similar rate, were led mainly by electronics and electrical components said officials.

Oil price fears played down

The Philippine government yesterday played down fears that market-based pricing for petrol and other oil products would lead to dramatic price rises and higher inflation. The liberalisation, which starts today, will for the first time in 25 years remove oil prices from political control. Petrol and oil prices will be adjusted monthly under an automatic pricing mechanism linked to prices in Singapore.

Taiwan cement plan to resume

Taiwan Cement, the island's leading cement maker, plans to resume work on a T\$5.8bn (\$211m) expansion of its plant in eastern Taiwan following a year-long delay because of environmental protests by local residents. The Hualien county government recently gave the green light to continuation of the project, which should be completed by next summer, company executives said. The expansion will increase annual production capacity at the Hualien facility from 250,000 tonnes to 1.5m tonnes. Taiwan Cement's total yearly capacity is 5.6m tonnes. Late last year the company suspended work on a T\$800m investment plan, also in Hualien, because of environmental concerns.

N Korea to return novelist

North Korea said yesterday it would hand over a South Korean novelist whom Pyongyang claims illegally entered the country at the end of July, the (South) Korean National Red Cross said. The novelist, Mr Kim Ha Ki, went missing on July 30 after drinking at a North Korean-run restaurant in Yanji in the Chinese border province of Jilin. Mr Kim had arrived in China on July 26 as a member of a group of 60 tourists.

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ARTS

Television/Christopher Dunkley

Bring on the nearly new

The words "New Series" are used with remarkable casualness in television promotion. Last Friday saw a "New Series" start on BBC1 with a programme first screened in 1974: the guest on Parkinson, The Inter-views (as distinct from Parkinson, The Violin Solos presumably) was Peter Sellers. It was a sticky occasion with the not-very-funny comedian needing vigorous prodding before he would recall any of the anecdotes prepared with such obvious care. At least BBC2 had the grace to forego the "New Series" tag on the previous night when it began a re-run of Hancock with a startlingly clear recording of "The Blood Donor" which is 35 years old. The point is that we are in midsummer, the ratings are a few million down from their winter high, and broadcasters are not too keen to waste anything really good. Yet they have to fill the schedules with something, and so new series - many of them genuinely new - keep on appearing. Last week brought the first edition of The Ratzen Report which appears to be "new" chiefly in its slot and title. The formula is only too familiar: fill a studio with people on an emotional high because of a shared experience of some sort, ensure that some have diametrically opposed views, and goad them into screeching at each other. We have seen it often enough before

with the radio-mike in the hands of Oprah Winfrey, Kilroy Silk, and of course Rantzen herself. The subject (ME on this occasion; one of the Rantzen children has it) is inevitably poorly served, but broadcasters see it as "good television". On the following night ITV showed the first of a new series called First Sign Of Madness, four half-hour dramas described as "Talking Heads style monologues". Given the huge success of Alan Bennett's daringly simple 1988 series, Talking Heads, you can see why others would want to associate their work with his. The trouble is that you immediately invite comparison, and although the opening episode had the benefit of that superb actor Jim Broadbent playing the fish porter, the script he was given to deliver had neither the subtlety nor the poignancy of Bennett's little masterpieces. Thursday brought new series from both BBC1 and BBC2. Dark Secret describes itself as "a six part series exploring issues of sex and gender that were, or are, taboo". Though there has been a flood of this sort of material on

television in the last couple of years, the opening programme still had the power to shock. It told in some detail of how, in the 1960s, homosexuals were subjected (or subjected themselves) to aversion therapy in an attempt to turn them into heterosexuals. Since failure appears so predictable, it would have been interesting to know whether anyone ever claimed a success. The minute that ended, BBC1 began a series called Defence Of The Realm which looked like a clothes show for chaps. Somehow they managed to get Sir Peter Inge to model a long succession of stunning little outfits: jaunty caps, bum-freezers, skin-tight slacks, scarlet bolero jackets, and that "camouflage" gear that has been so popular recently on the catwalks of Paris and Milan. Since Sir Peter is chief of the defence staff this seemed something of a coup, until you realised that the series is really supposed to be an elephant-on-the-floor (close relative of fly-on-the-wall) documentary, taking the lid off the Ministry of Defence, and

Sir Peter wears all those different outfits according to his daily appointments. Judging from this opening episode we are going to see precisely what the MoD people want us to see and no more. The most irritating new series of the week was Friday Night on Channel 4 on Friday. It was described as being "about the lives of the very rich" but what we actually saw was a nudge-nudge wink-wink conspiracy between producer Ray Hough and subject Eric Hall. Hall appeared on screen for half an hour, and talked a lot without revealing anything of significance about himself. We were given to understand that he is a football players' manager who "makes poor players rich and rich players richer" though, as we were repeatedly assured, he has no licence. Presumably this is part of the gag and there is no such thing as a soccer players' manager's licence. But for those who have never heard of Hall the programme was completely uninformative and a dead loss. It was immediately followed by the first episode on BBC1 of a "comedy

drama" (code for no laughter track) called Safe And Sound. You have to admire writer Timothy Frager, director Baz Taylor, and producer Joanna Willett for daring to set a social comedy in Northern Ireland. We may doubt whether it would ever have occurred without the precedent set by Roddy Doyle in his books and then in the television adaptations, but even now it takes some bottle to do it, especially when you set out deliberately to cut across the lines of the two communities. That is not the same as saying that this is funny, but Des McAleer and Sean McGinley are outstanding actors and there was enough depth of material in the first episode to suggest potential. Europe On The Road (Channel 4, Saturday evenings) is another example of the way in which television is now better than print journalism at providing general background features from abroad. This programme with its reports on German attitudes towards spa holidays (not as many as they used to have, and not as cheap), service in shops and on trains (not as good as in

other countries) and the return of collective farms in the east to private ownership (the old communist bosses have become the new capitalist bosses) gave an impressively broad idea of how it might feel to be German in 1996. On the other hand, another of Channel 4's new series, Brainspotting, proved yet again, if proof were needed, the inferiority of television to print as a medium for the investigation of the abstract. Ken Campbell, having attempted to use television to convey to a general audience the main strands of contemporary physics, and having failed pretty comprehensively, has now been given three 60-minute programmes to explain what the human mind is, how the brain works, what is meant by "thought" and so on. The difficulties are legion. Distinguishing in print between consciousness, self-consciousness and introspection is not intolerably difficult. But try it on television and your producer will probably tell you that most viewers won't understand "introspection" and that you must find a simile or metaphor. Pictures may seem to offer an advantage here over print, but often their literal nature can mislead. Having watched one episode I shall be amazed if, at the end of the series, I feel I have understood a fraction of what was conveyed by the only book I ever read on the subject, Gilbert Ryle's The Concept Of Mind, written in 1949.



Ravishing: a scene from Mark Morris's 'I don't want to love', specially commissioned to mark the festival's golden jubilee

Mark Morris is the Edinburgh Festival's darling, well-earned back year after year. His company's appearances have reminded audiences of the artistic standards they are entitled to expect - and have so often been denied by dance offerings of late. That there have been no ballet performances of first quality since the New York City Ballet and the Royal Ballet brought serious classicism to the festival, is still a problem. But we watch Morris's work with delight, and rejoice at a relationship with the festival which is a credit to both host and guest. Very properly, the festival marks its golden jubilee with a commissioned piece from Morris. This, seen for the first time on Monday night, is I don't want to love - the burden of seven Monteverdi madrigals which are the score. "Non voglio amare" sing the artists of the Concerto Italiano, providing splendid accompaniment, and Morris's seven dancers, white clad, tell us why. The madrigals treat of love rejected and unavailing. I am almost tempted to think that we

The magic of Morris

should have subtitles, so intimate is the link between words and dance. But the dance speaks, and a moment's homework with the text of the poems in the programme is sufficient to lead into what Morris is doing, while the first level of the choreography - its acceptance of the music's form - is clear and persuasive. Morris treats the subject lightly but with sudden penetrating moments, as when a lover's isolation or a girl's anguish pieces us (and the dancers) to the heart. Loveliest incident is Morris's realisation of "Zefiro torna", in which the breezes of the title blow the dancers, fluttering and flying and skipping with tiniest steps, over the stage and along the music's lines. It is wholly ravishing, and like the entire work, judged with acutest skill. A lovely anniversary present. The programme begins with Ten Suggestions, of which more anon, but its heart is two contrasting dark pieces. World Power, which dates from last

year, is puzzling. Lou Harrison's score is made for gamelan with harp and trumpet (well played by the South Bank Gamelan Players). The title is owed to Mark Twain, whose comments upon American military action in the Philippine wars are bitterly satiric, and feature in the score. As sombre, but very different, is Behemoth. This was made in 1990 in Brussels and is performed in silence. For 35 minutes we watch the cast of 15 moving, posing, crossing the stage in wave-forms, all trapped within themselves. Non-communication, a bleak sense of isolation, action without feeling (so odd in dance, where every gesture speaks) is the rule. The dancers react with chill unconcern to another's move, occasionally link in duets, and finally sink to earth like bunks of themselves. The "message" is not clear, but the effect is fascinating, and the jagged dynamics, the anxious outlines of the dance, are gripping. Form and language are brilliantly wrought, and the piece is grandly done by Morris's artists. Morris himself, pink-pyjama'd, appeared in Ten Suggestions. Each of Tcherépnin's brief piano bagatelles becomes a character study, and in each Morris created a world of emotion. He looks like

Isadora Duncan with five o'clock shadow, and like Isadora, he moves with an innocence, an absolute clarity of intention and feeling, that are marvellous. These are like dance-snapshots of a child playing alone, or of the Earth-mothers of modern dance (Morris can evoke lost-lost styles with a stunning imitative grace). A chair, a ribbon, is a toy. A hoop suddenly awakens images of the 1920s. Baryshnikov has danced Ten Suggestions with consummate wit and technical splendour. Morris, unsurprisingly, inhabits them as his world. Every step comes from inside the dance and inside him, and the density of his presence (accentuated in the pauses between each, when character falls away and we see a bulky man mop the sweat from his brow) is extraordinary. Ten Suggestions are far more considerable than at first seems, and Morris is a great artist when he dances them: beautifully because speaking so beautifully, so truly to us.

Clement Crisp
Sponsored by TSB.

'Fidelio' speaks for the festival

The 60th Edinburgh Festival took wing on Monday with Fidelio. Beethoven's opera may not be the most original programme-idea, and this performance was only in concert. But no matter: it echoed the world which brought the festival into being, freed from the threat of tyranny, it proclaimed Edinburgh's enduring internationalism, while drawing on the services of a Scottish orchestra and chorus; and it matched the standards of excellence by which all great festivals must be judged. The libretto was Sir Charles Mackerras, whose opera concerts at the Usher Hall have become a feature of the Edinburgh programme. This Fidelio had been studied afresh and immaculately prepared, with more than a nod to period style. It had a smell of the theatre. Most important of all, it confronted the listener with the blazing originality of the piece, its intellectual strength and emotional depth. It also suggested how Fidelio should sound with the scale of forces available at the Theatre an der Wien in 1805. The Scottish Chamber Orchestra offered a more intimate reading, with sharper definition of instrumental colouring, than the big symphonic sound we usually hear. This resulted in some fascinating pay-offs, particularly in the way Beethoven uses the brass for dramatic tone-painting. The harsh, opaque timbre of natural horns cut through the orchestral texture like baleful sirens, no more potent than in the gloom-laden Act 2 introduction. The Leonore-Rocco duet, shadowed by evil-sounding trombones, was another passage I felt I was hearing for the first time. Elsewhere, Sir Charles brought a thrilling immediacy to the proceedings, his quick tempi and even quicker-witted phrasing offering shafts of insight without drawing attention to themselves in the Harmoncourt manner. His only real disappointment was the cancellation of Anthony Rolfe Johnson as Florestan: Heinz Kruse sang reliably, but with little sense of emotional emancipation - unlike Anne Evans (another late change), whose Leonore, looking and sounding 35, was incandescent.

Andrew Clark

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FINANCIAL TIMES

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Wednesday August 14 1996

Frankfurt v le franc fort

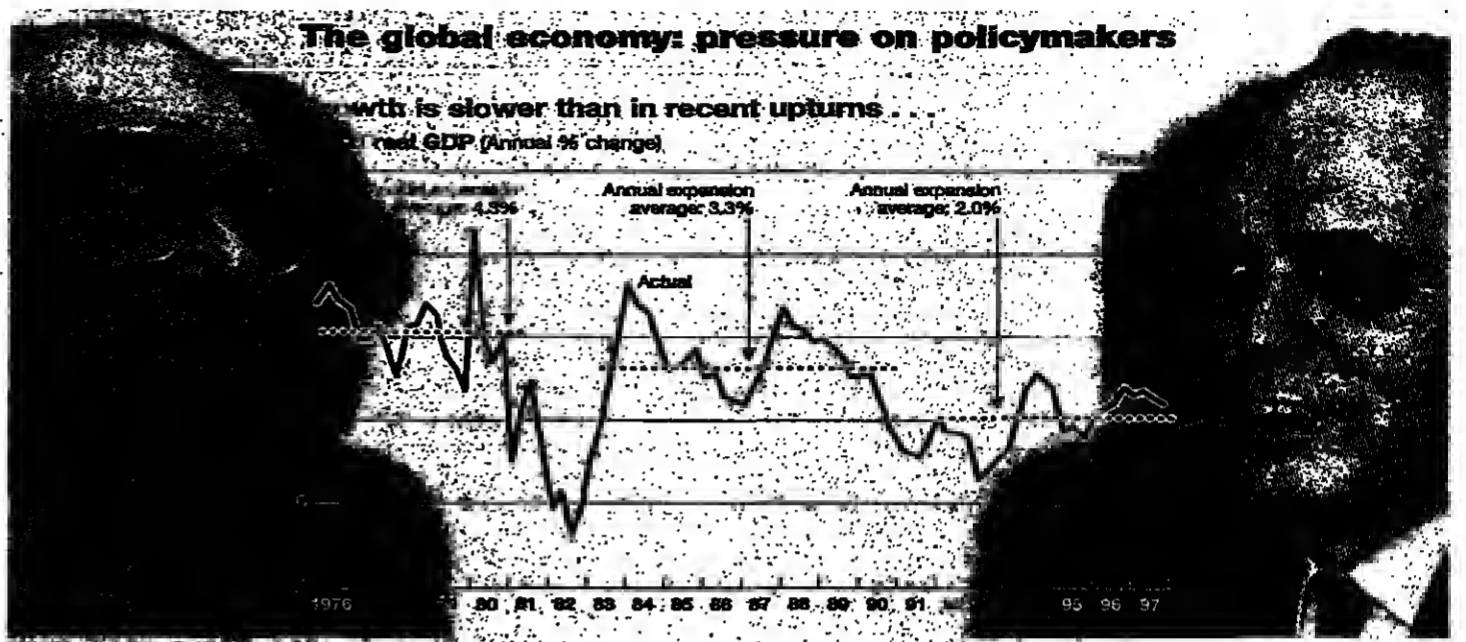
Seems like old times. The Bundesbank confounds hopes of a cut in German interest rates at its July council meeting. And the French franc spends August coping with the consequences.

The similarities between this and previous summer bouts of franc weakness will not have been lost on Mr Jean-Claude Trichet as he seeks, once again, to persuade the speculators that they cannot win. If anything, the governor of the Banque de France must be even less likely to abandon his commitment to the franc fort today than he would have been a few years ago.

Tempted to loosen the belt

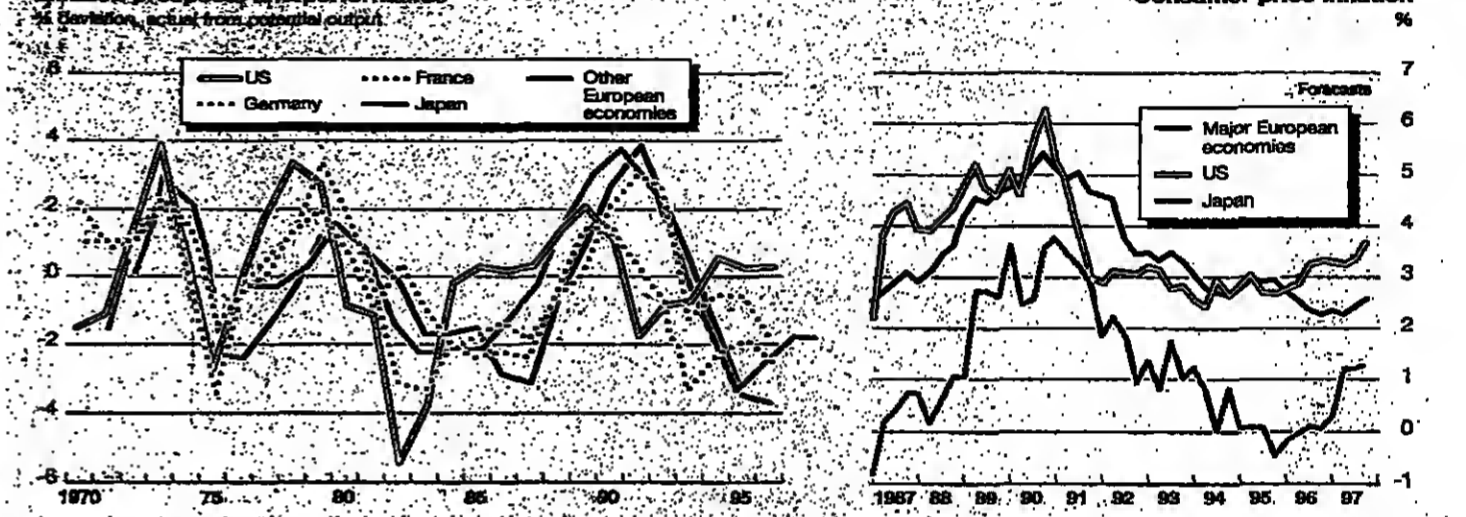
The industrialised countries are in danger of sacrificing hard-won economic gains to buy off popular discontent, says Robert Chote

Many observers on Wall Street dismissed Mr Bob Dole's proposal last week for a \$548bn tax cut package as a populist gesture from a presidential hopeful fast running out of hope. Fiscal purists scorned the idea that he could finance his proposals with 10-year reductions in government spending and an implausible acceleration in economic growth.



with is slower than in recent uptimes

... and inflation low



New Satan

Satan, the Bishop of Oxford has opined, is not a fit person to be employed in a Conservative election campaign.

feeling a theological conversion from old socialism? And what exactly would this mean? Mr Blair has concentrated his fervour on the first of these questions, leaving the details tantalisingly vague.

Tea with the prince

Prince Charles and his wife Camilla stepped into the world of water polo by accepting an invitation, while still on holiday, to dine with the Italian royal family.

Sinking feeling

It was, as they say, an irresistible offer - a naval destroyer that cost \$50m when it was built in 1983, going for less than 10 per cent of that price.

Korean beef

Who would be a South Korean tourist? Prime Minister Lee Soo-sung has told government ministries to crack down on South Korean tourists who damage the dignity of their country by engaging in indecent behaviour in foreign countries.

Power play

Professor Stephen Littlechild, the UK electricity regulator, is having a busy August. Yesterday he announced tough new price controls for the National Grid.

Having failed to cajole the industry into action, Mr Littlechild now proposes to include in the electricity companies' licences terms designed to prevent companies dragging their feet. Groups which fail to meet deadlines for preparation, including investing in computers, meters and trials, will be asked to contribute to the costs of work carried out by rivals.

Analytical crunch

The day of the 51st-year media analyst - including

Fertility mission

After mind-boggling stunts in the movie Mission: Impossible, American actor Tom Cruise at least won't have to tax himself any further against the German glossy magazine Bizarre, which falsely alleged a few weeks ago that he was sterile.

100 years ago

Ministerial Crisis in Bulgaria Sofia: A serious Cabinet crisis has arisen, the War Minister, Colonel Petroff, and the Minister of Commerce and Agriculture, M. Natsovitich, have tendered their resignations in consequence of a difference of opinion with their colleagues respecting the re-admission into the army of officers who have served in Russia, and also respecting the conclusion of a commercial treaty with Austria-Hungary. It is thought that Mr Stoiloff, the Premier, may also resign. (Daily Mail)

EDITOR. Virtue in Argentina

considered

jection



صحة من الامم

"True creativity blooms when we dare to reject 'common sense' and traditionally accepted scientific knowledge."

FINANCIAL TIMES COMPANIES & MARKETS

LEGAL DEFINITIONS mediation n. 1 gathering of camera crews outside celebrity's home (after minor indiscretion) 2 attempt by a third party to make the two sides in an argument agree.

Wednesday August 14 1996

IN BRIEF

Den norske Bank falls 9% midway

Den norske Bank, Norway's largest bank, reported a 9 per cent drop in first-half profits from Nkr1.65bn to Nkr1.5bn (\$234m) - a smaller decline than analysts had predicted but said underlying profits excluding write-backs against loan losses had grown 10 per cent. Page 12; SE-Bankers jumps in first half, Page 14

AGF to nominate outside directors Assurances Generales de France, the insurance company privatised in May, announced its intention to nominate a number of outside directors as part of a newly-constituted 14-member board. Only two executives of AGF will sit on the board, Mr Antoine Jeancourt-Gallignani, chairman, and Mr Jean-Daniel Le Franc, his deputy. Page 12

Deere reaches record in third quarter Deere and Company, the US maker of agricultural and lawn care equipment, reported earnings in the third quarter up 13 per cent to a record \$204.4m, or 79 cents a share, and said expanding global demand would continue to strengthen the company's outlook. Page 13

Credit Anstalt moves closer to sell-off The privatisation of Credit Anstalt, the Austrian bank, moved closer as First Austrian Savings Bank reached agreement in principle with its consortium partners on a joint holding group for Credit Anstalt and First Austrian. The consortium aims to bid for a 70 per cent voting stake in Credit Anstalt, worth about Sch15bn (\$1.44bn). Page 14

UK retailer stands by pay structure Dixons, the UK electrical retailer, has refused to change its controversial triple remuneration committee structure and Sir Stanley Kalms, chairman, has warned shareholders of "increasing demands for management by prescription" because of corporate governance rules. Page 15

QA reports smaller than expected fall General Accident, the UK general insurer, dispelled some of the gloom over the country's composite insurers with a smaller than expected fall in first-half operating profits from £237m to £194m (\$302.6m). Page 15

Facia creditors told of intergroup deals The collapse of the UK's Facia resulted from concerns about "significant" transactions between the retail group and companies owned privately by its chairman, Mr Stephen Hincliffe, creditors were told. Page 16

Australian wool producers seek leeway Australia's main wool growers' body has called for a more flexible wool release scheme, despite repeated statements by the federal government that it does not want to change the existing legislated timetable for selling off the country's large wool stockpile. Page 20; NZ wool sector hopes for demand growth, Page 20

Table with 2 columns: Company Name and Share Price. Includes companies like ABN, ACE, Alliance Resources, Anglian Water, BOC, BSKyB, Bank of East Asia, CEF, Caprol Aluminium, Cogema, Commercial Union, Credit Anstalt, Credit Lyonnais, De Beers, Deere & Co, Den Norske Bank, Deutsche Telecom, Detsyn, Dreschner Bank, Dyckerhoff, Essex/Stafford Water, Facia, First Austrian, Flextech, Ford, General Accident, General Cable, Goldman Sachs, HSC, Hunter Douglas, IFS.

Market Statistics table with columns for various market indices and their values. Includes FTSE 100, Nikkei, DAX, etc.

Chief price changes yesterday table with columns for company names and price changes. Includes companies like Agfa, Alcatel, Amgen, etc.

De Beers upbeat on Russian deal

By Mark Aspinall and Kenneth Gooding in London De Beers, the South African group which controls about 60 per cent of the world's rough (uncut) diamond market, yesterday said it was confident it could finalise a contract for Russia to join the diamond cartel organised by its Central Selling Organisation.

5.5 per cent to 27 US cents. Mr Gary Ralfe, managing director of the CSO, said the negotiations had been held up by the Russian presidential elections but the Russians now appeared keen to complete a deal. It was not possible to say how long this would take. If the finance minister who signed the memorandum of understanding earlier this year was moved to a new post, it would increase the delay.

coming from joint venture companies set up in Russia rather than from government stocks or Almayor Rosoil Sakha, Russia's biggest producer. The joint ventures were exploiting loopholes in the previous agreement between Russia and the CSO.

small, cheap diamonds in India had fallen by about 20 per cent. Mr Nicky Oppenheimer, CSO chairman and deputy-chairman of De Beers, said the organisation would not start a price war. But buyers of small diamonds now had two suppliers and were holding back to see what would happen. De Beers had no intention of holding its prices only to see Argyle take business away.

years and it has rocked confidence," said Mr Ian Leigh, analyst at RBC Dominion Securities. "We are on the brink of a price war, and the CSO is sitting with stocks worth \$4bn. Where is the growth going to come from?"

UBS hires top trader for metals job

By George Graham, Banking Correspondent Union Bank of Switzerland, the largest Swiss bank, yesterday stepped up its efforts to become the world's leading trader of precious and base metals with the recruitment of Mr Maryna Konig from rival Goldman Sachs.

Foreign growth aids big VW rise

By Wolfgang Minchew in Frankfurt Volkswagen, the German carmaker, more than doubled net profits in the first half, helped by strong sales growth outside Germany and a weakening D-Mark exchange rate.

Europe's largest carmaker delivered a record of almost 2m vehicles in the six months to June 30, 12.6 per cent more than a year earlier. It raised net profits from DM113m to DM228m (\$160.5m), broadly in line with expectations.

Volkswagen said it stuck to the forecast by Mr Ferdinand Pisch, chairman, of an improvement in 1996 over last year's DM88bn net profit. In the light of the interim results, this is seen as cautious.

Mr Klaus-Jürgen Meizer, motor analyst at Deutsche Morgan Grenfell, said the medium-term outlook was good. "This is one of the few German carmakers that managed to increase its margins. The market has held up and the exchange rate [the weakening of the D-Mark against other currencies] has also helped."

Between January and June, VW managed to reverse the position of 1995, when income could not keep pace with rising costs. Gross income from turnover, a measure of profitability of the core business, increased from DM4.45bn to DM5.41bn, signalling "an improvement in the quality of our earnings", VW said.



David Li, chairman of Bank of East Asia, presenting the group's results in Hong Kong yesterday. The group posted net earnings of HK\$346.92m (US\$109.5m) for the six months to June 30, up 23.3 per cent. He said the second half was expected to bring moderate growth and outlined a long-term strategy to sell stakes in United Chinese Bank to mainland and Taiwanese banks. Page 13

BOC shares slide after warning

By Jenny Lineby in London BOC, the UK industrial gases producer, delivered a double blow yesterday with warnings of a collapse in orders at its lucrative pump business, and further declines in healthcare.

The news triggered a sharp reaction from the markets, with the shares falling 5.5 per cent at one stage before recovering to close at 853p, down 42p. Stockbrokers downgraded pre-tax profits forecasts for this year by an average of 5 per cent to £445m (\$690m). Estimates for next year were lowered to £450m-£470m next year. Analysts said the share

sell-off was an over-reaction. Mr Michael Evans, chemicals analyst with Kleinwort Benson, said BOC shares were among the cheapest in the sector, yet the company's outlook was among the brightest.

profits in gases reached £200.5m (\$272.7m) on sales of £2.1bn (£1.95bn). Mr Evans said a continuing shift to long-term take-or-pay contracts at fixed prices promised even better returns in 1997, with gases likely to account for 77 per cent of group profits.

PowerGen plans £35m wind farm on coast of UK

By Patrick Harverson in London PowerGen, the UK generating group, is planning to build the world's largest offshore wind farm just two miles from the British coast.

With a total generating capacity of 37.5MW, the farm could meet the daily electricity needs of a town of 56,000 people.

The £35m (\$54.2m) farm will consist of 25 large wind turbines, each 190ft tall with three 220ft-diameter blades capable of generating 1.5MW of electricity.

There may also be objections to the physical appearance of the farm, with its 25 turbines clearly visible from Great Yarmouth.

Mr Harris insists that the wind farm would be environmentally clean and safe. "The worst that can happen to us is that we can fall down." PowerGen, which has also applied to build a smaller wind farm with only 13 turbines, already operates four small land-based wind farms. It believes offshore farms offer an environmentally sound and more cost-effective form of renewable power generation.

Until recently, offshore wind generation was regarded as uneconomic. There are just three offshore wind farms in the world - in Scandinavia and the Netherlands.

Mr David Farrier, project development manager, said: "The Yarmouth site, turbine foundations and 1.5MW machines proposed mean the construction and operational costs will be seen to be significantly lower than previous UK studies have predicted."

A 1996 report by UK electricity authorities put the offshore wind energy resource around the British Isles at 240 terawatt (a thousand billion watts) hours per year, enough to meet 85 per cent of total UK electricity needs.

PowerGen is confident the scheme will be approved by the government. It is in the process of signing an agreement to use Scroby Sands with its owner, the Crown Estate, and has applied for consent to proceed with the project under the Coast Protection Act. "We have done our homework and looked at the environmental issues and we feel there should be no objection to the development," said Mr Rupert Harris, managing director of Ecocent, the consultancy advising PowerGen and Vestas, the Danish turbine manufacturer which is jointly funding the project.

However, the wind farm could face local opposition. Scroby Sands is known as an occasional habitat for seals, and environmentalists will be concerned that the scheme will interfere with their natural

habitats. There may also be objections to the physical appearance of the farm, with its 25 turbines clearly visible from Great Yarmouth.

Several engineering companies have been asked to submit tenders to build the turbine platforms, and Ecocent says that if government approval is granted, the farm could be generating power in 1998.

Advertisement for SHEERFRANK diamonds and MERSEY JEWELLERY. Includes text: "True creativity blooms when we dare to reject 'common sense' and traditionally accepted scientific knowledge." and "SIDE IS NINE IN EUROPE. IS A VOTE OF CONFIDENCE."

Advertisement for The Government of the Arab Republic of Egypt Holding Company for Engineering Industries (EIC) Strategic Sale. 70% of Electro Cable Egypt Company (ECEC). Includes contact information for Mr Chairman of Engineering Industries Co. 26 Adly Street, Cairo, Egypt. Fax: (202) 392 1956.

COMPANIES AND FINANCE: EUROPE

NEWS DIGEST

Strong advance at Hunter Douglas

Hunter Douglas, the Dutch window covering and architectural products group, raised net profits by 25 per cent to F162.9m (\$38m) for the first half of 1996, from F150.4m in the year-ago period. The growth stemmed largely from North America, where the economy was strong and Hunter Douglas raised its market share in window covering. The group also benefited from the stronger dollar and low interest rates. But sales and profits in Europe fell because of "slow economic conditions", particularly in Germany and France.

The group said it had won "substantial contracts" in China to supply wall and ceiling panels to several airports. Hunter Douglas regards Asia as a key area of growth, but said yesterday it intended no acquisitions, as opportunities for these were "virtually absent" in Asia.

Sales increased 10 per cent to F1.11bn, with almost a third of the rise coming from positive currency effects. Net profit per share rose 24 per cent to F13.55 (F12.86 adjusted). Hunter Douglas, which is 49 per cent family owned, expressed "optimism" about the rest of the year. But the shares fell 2 per cent yesterday to F118.50 on profit taking. Analysts are forecasting F155m in full-year net profits.

Simon Kuper, Amsterdam

Luxottica charges settled

Three executives of Luxottica, the Italian spectacles frame manufacturer, and a relative agreed to pay \$534,000 to the US authorities to settle insider dealing charges relating to the company's \$1.4bn takeover last year of US Shoe, the US retailing group. The SEC said the four had settled a civil suit by giving up \$262,000 in trading profits and paying \$262,000 in fines and interest, without admitting or denying wrongdoing.

Those charged were Mr Paolo Mollo, 33, a production systems manager, who learned of the offer during a due diligence review by investment bankers; Mr Andrea Fiabane, 34, manager of Luxottica's European operations, whose office was next to Mr Mollo's; Mr Giuseppe Fiabane, 40, Mr Andrea Fiabane's brother; and Mr Giorgio Piccinini, 60, administrative manager of Luxottica's Milan unit, who overheard the offer being discussed.

Richard Tomkins, New York

Securitas boosts sales 27%

Securitas, Europe's leading security group, announced net profits of SKr161m (\$24.19m) for the first half to June 30, up from SKr140m in the comparable period. Sales were SKr4.29bn, up from SKr 3.61bn. The Swedish company said sales increased by 27 per cent from a year earlier adjusted for currency effects. Of that, 20 percentage points was the result of acquisitions, and 7 percentage points organic growth. Pre-tax profit increased by 13 per cent to SKr228m (21 per cent if adjusted for currency effects).

The company repeated its prediction of an increase of around 20 per cent in 1996 profit compared with a year earlier. The prediction is based on a stable krona in the second half.

AEX News, Stockholm

SGL Carbon upbeat

SGL Carbon said pre-tax profit in the six months to June rose 51 per cent, from DM103m a year earlier to DM156m (\$106.7m). Sales rose 18 per cent from DM77m to DM87m. The group said the growth was due to the first-time consolidation of Polish-based Polgraph and French-based Vicarb, without which sales would have grown 4 per cent. It said it expects higher sales and earnings in the full year. Mr Robert Koehler, chairman, said this outlook for the second half "remains good".

AEX News, Frankfurt

Makhteshim advances

Makhteshim Group, the Israeli generic agrochemicals manufacturer, yesterday reported net income up 12 per cent in the first half of 1996, from \$20m in the same period last year to \$23m, as this company rebounded from a slow first quarter. Net income in the second quarter jumped 40 per cent to \$11m, compared with \$8m in the same period of 1995. Mr Daniel Porat, Makhteshim vice-president, attributed rising profits to declining raw materials prices for the group's line of crop-protection chemical products. Sales for the first six months were up 11 per cent, from \$268m last year to \$297m.

Avi Machlis, Jerusalem

Lafarge vies for control of Polish cement producer

By Christopher Bobinski in Warsaw

A modern Polish cement plant with a 7 per cent share of the domestic market is at the centre of a bitter tug of war between Lafarge, the French construction materials company, and Dyckerhoff, a German cement producer.

The row over control of the plant, Malogoszcz, comes as foreign investors scramble to secure control of Poland's last swathe of domestically-held cement works.

The race for control has also provided handsome returns for the 15 national investment funds, set up last year under Poland's mass privatisation scheme.

These funds owned the four plants in question, which make up one-fifth of Poland's 15m tonne cement-producing capacity.

The government had earlier sold the remainder of the sector to foreign strategic investors.

Lafarge has accused the No 14 fund of failing to fulfil an agreement to sell to the French company its 33 per cent stake in Malogoszcz for \$27m.

Instead, the fund has agreed to sell the equity to Dyckerhoff, for \$35m. This has left Lafarge with 41 per cent of Malogoszcz, which it had earlier purchased from the employees.

Under the mass privatisation programme, each fund holds lead stakes of 33 per cent in about 34 companies and 1.9 per cent in each of the remaining enterprises in

the scheme, which covers 312 companies. The impasse at Malogoszcz leaves the state treasury, which owns 25 per cent, with the deciding vote should the two shareholders differ.

Dyckerhoff, meanwhile, says it wants to work as a joint shareholder with Lafarge.

However, the purchase has blocked Lafarge's plan to win control of one-fifth of Poland's cement-producing capacity.

The French company last year paid the government \$46m for a 75 per cent stake in the Kujawy works, and purchased a 60 per cent share in Wierzbica from the national investment funds for \$30m.

Shortly before moving in to Malogoszcz, Dyckerhoff snatched the neighbouring Nowiny works from Rumel, a Turkish investment group.

The German producer outbid Rumel at the last moment, paying \$64m for a 60 per cent stake. The works had been attracting offers of about two-thirds of this sum before Rumel entered the race.

Rumel switched its attention to the Nowa Ruda cement works, RMC, the UK construction materials group, had signed a preliminary agreement for a joint venture with the Progress Fund which gave RMC the prospect of control.

However, Rumel forced Progress' hand by first buying a 60 per cent stake from other funds for \$21m, and then offering \$20m for Progress' lead stake - an offer RMC failed to match.

Write-backs hold Den norske Bank fall to 9%

By Greg McIvor in Stockholm

Den norske Bank Norway's largest bank, reported a 9 per cent drop in first-half profits, but said underlying profits excluding write-backs had grown by 10 per cent.

The decline in pre-tax profits including credit losses, from Nkr1.68bn to Nkr1.5bn (\$284m), was not as steep as analysts had predicted, due in part to higher than expected write-backs against loan losses. DnB's shares rose Nkr0.10 to Nkr20.50.

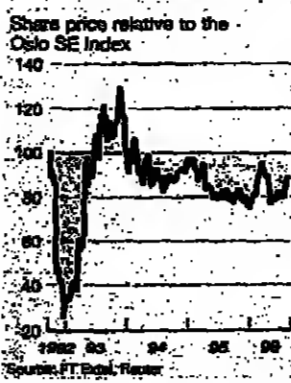
DnB said lending volume and deposits had risen, aided by Norway's robust economic performance. Operating costs were cut by Nkr188m.

Write-backs - achieved by re-booking provisions against loan losses - diminished from Nkr508m to Nkr226m, although write-backs on previous loan losses still exceeded new losses. Non-performing and doubtful commitments were reduced by Nkr1.2bn to Nkr51m from the end of 1995.

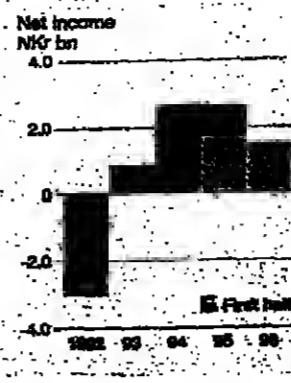
Customer lending rose 5.3 per cent in the year to date but the bank suffered from intensified competition in the domestic banking sector and also for international loans. Net interest margins fell from 4 per cent to 3.8 per cent year-on-year.

Mr Finn Eivindstad, DnB managing director, said the near-halving of Norwegian banks' margins from some 6

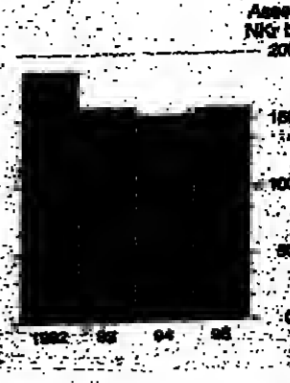
Den norske Bank



per cent in 1992 could "quite conceivably" trigger a new wave of restructuring in the sector. But he added: "As long as credit losses are



slight, we can live with lower interest margins." Ordinary loans totalled Nkr130bn at the end of June, an increase of Nkr12bn on



the first-half average in 1995. Net interest income was flat at Nkr2.1bn, although it fell from 2.47 per cent to 2.34 per cent relative to average

total assets. DnB said lending growth and the continued reduction in non-performing and doubtful credits offset pressure on interest margins.

Return on equity dropped from 25.4 per cent to 23.4 per cent and earnings per share from Nkr2.60 to Nkr2.36. The capital ratio was 10.5 per cent and Tier 1 capital stood at 7.1 per cent, not including first-half profits.

Vital, Norway's second largest insurer, acquired earlier this year by DnB for Nkr3bn, made net profits of Nkr68m. But its impact on group profits was marginal because a contribution of Nkr68m was balanced by the Nkr61m cost to DnB of financing the acquisition.

AGF to seek outside directors in board shake-up

By Andrew Jack in Paris

Assurances Générales de France, the insurance company privatised in May, yesterday announced its intention to nominate a number of outside directors as part of a newly-constituted board.

In a gesture towards the growing importance of corporate governance in France, just two executives of AGF will sit on the

14-member board - Mr Antoine Jeancourt-Galignani, chairman, and Mr Jean-Daniel Le Franc, his deputy.

Four outside directors will be present in their roles as large AGF shareholders: Mr Daniel Bouton, managing director of Société Générale, the French bank; Mr Wolfgang Kaska, head of AMB, the German insurance group; Mr Lukas Mühlmann, head of Suisse Rein-

assurance and soon Crédit Suisse; and Mr Sergio Siglienti, head of Ina, the Italian insurer.

The share of AGF's capital that they represent has not yet been finalised, as their companies' bids for shares at the time of the privatisation are still being scaled back due to over-subscription.

Existing director Mr André Lévy-Lang, chairman of Paris-

group, which held 1.5 per cent of AGF's shares, will not have a seat on the new board.

Four independent directors have been chosen by virtue of their personal qualities and not because of any shareholding: Mr Yves Canac, a former senior civil servant; Ms Beatrice Majnoni d'Intignano, a health economist; Mr Patrice Mignon, finance director of

Nestlé; and Mr Jean-Charles Naouri, head of the Euris investment group.


There will also be one general agent who sells insurance on behalf of AGF, two staff representatives to be elected by employees, and an employee-shareholder director.

The nominations, which were approved at AGF's last board meeting, must be ratified by the annual general


meeting of shareholders, which is due to be held on September 19.

In line with recommendations in last year's Viénot report on French corporate governance that the maximum number should be six, Mr Jeancourt-Galignani also pledged earlier this year to resign from some of his 13 boardroom seats, although there were no indications he had done so yesterday.

July 1996



The Hellenic Republic



Athens International Airport S.A.

DEM 4,125,000,000

The undersigned acted as financial advisor to the Government of the Hellenic Republic for the development of the new Athens International Airport at Spata.

Salomon Brothers

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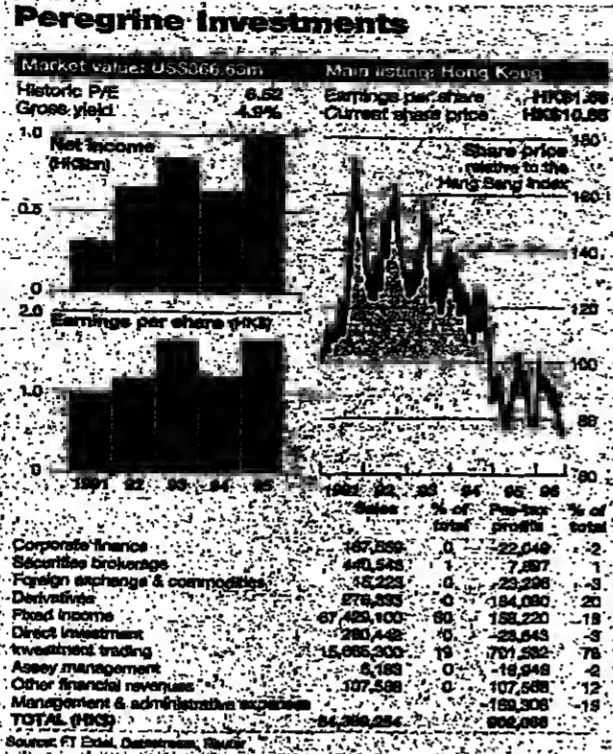
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COMPANIES AND FINANCE: ASIA-PACIFIC / THE AMERICAS

Peregrine shrugs off spot of local bother

Hong Kong investment bank seems undeterred by regional difficulties

Peregrine Investments has run into a number of stumbling blocks in its efforts to expand into markets as diverse as Korea, Australia, Indonesia and the UK...



In contrast to these local difficulties - which, apart from Australia, have arisen in countries without capital markets that have been broadly shunned by the competition - there is market talk that Mr Philip Tose, chairman of Peregrine Investments, may be seeking an overseas alliance...

Few in Hong Kong's financial community believe these problems are sufficient to throw Peregrine's aggressive expansion strategy off course

Tose's travels: that he may be looking to sell a stake in Peregrine. Mr Alan Mercer, company secretary, denies the rumours. He points to Peregrine's leading position in independent league tables of non-Japan Asian equity issues...

backing from the territory's biggest corporates and tycoons, including Mr Li Kashing, Mr Gordon Wu of infrastructure and property group Hopewell Holdings, and Citic Pacific, China's investment agency...

But the robustness of these contacts is now in question. In December 1994, weak markets and a low investment grade rating prompted Mr Wu to scrap plans for a bond issue for Hopewell...

This has not been lost on Peregrine's competitors. "It is altogether tougher for them now. They have got certain big deals related to Cheung Kong in the past, but if you knock out the same deals, they were not doing anything too special compared with the opposition," says one.

Louise Lucas

Solid growth at Bank of East Asia

By Louise Lucas in Hong Kong

The Bank of East Asia, Hong Kong's third-biggest listed bank, yesterday reported net earnings of HK\$946.92m (US\$109.5m) for the six months to June 30, up 23.3 per cent on the HK\$87.01m in the same period last year.

Unlike other banks which have made bigger charges for general provisions - in part to smooth earnings in what has been a strong half-year for the sector - Bank of East Asia attributed HK\$137m to specific trade finance loans that have soured.

Kong-listed companies, and that Bank of East Asia had wholly provided for them, even though they were partly collateralised. This indicated to some the possibility of write-backs in the future.

Exports suggest the trend will continue in the second half. On fundamentals, however, Bank of East Asia matched the strong growth shown by its competitors. Net interest income grew 27.5 per cent, to HK\$1.4bn from HK\$1.09bn. Operating profit before provisions rose 32 per cent, to HK\$1.15bn from HK\$869.37m last time.

Directors are recommending an interim dividend of 25.5 cents, up 11.3 per cent on 22.9 cents last time. Mr David Li, chairman, said the second half was expected to bring "moderate growth" as exports rebound and the property market sustains its moderate growth.

Deere posts record earnings in third quarter

By Laurie Morse in Chicago

Deere and Company, the US maker of agricultural and lawnmower equipment, posted record earnings in the third quarter, ended July, and said expanding global demand would continue to strengthen the company's outlook.

"Growing worldwide demand for agricultural commodities coupled with the existing low levels of world grain stocks have resulted in strong prices for grains and oleseeds."

Exports markets for agricultural commodities remained strong in spite of higher prices and a strengthening dollar, lifting farmers' confidence and establishing a favourable selling environment for Deere products.

In the third quarter, Deere's earnings were up 13 per cent at \$204.4m, or 79 cents a share, from \$180.1m, or 69 cents, in the 1995 third quarter.

Year-to-date sales were \$8.5bn, up 10 per cent from \$7.6bn in the same period last year. Export sales from the US were \$1.2bn in the first nine months of the year, up 21 per cent from last year.

BT adopts Microsoft browser

By Paul Taylor in London

Microsoft, the US-based software group, will today announce further gains in its continuing battle with Netscape Communications over the market for Internet browser software.

As part of the launch of Internet Explorer 3, Microsoft's new browser, British Telecommunications will announce it has adopted the software for its mass-market BT Internet service, which was launched four months ago.

Mr Raj Kanthan, BT product manager for Internet services, said yesterday BT planned to substitute a Microsoft package of Internet software, including dialer, mail and news programmes, for its current package, which is based on software supplied by ETR.

Lower prices hit profits at Capral

By Nikki Tait in Sydney

Capral Aluminium, one of Australia's leading aluminium smelting companies, yesterday announced an after-tax profit of A\$17.9m (US\$14m) in the six months to end-June, down sharply on the A\$27.6m achieved in the same period last year.

The group - the former Alcan Australia group, which was renamed when Canada's Alcan sold its controlling stake in 1994 - said sales had risen to A\$422.4m, almost 4 per cent higher than the A\$416.9m seen in the first half of 1995-96.

It blamed the profit slump on lower metal prices and the recent strength of the Australian dollar, and said revenues would have been higher still but for these movements.

On the downstream side, earnings were lifted by the acquisition of the Comalco units, which cost Capral A\$31.8m. Here, pre-interest earnings rose from A\$13.9m a year ago to A\$21m, with sales advancing 24.9 per cent to A\$226.7m. The group, however, warned that building industry demand remained depressed.

The interim dividend is held at 8 cents a share. Capral shares added 4 cents to A\$3.70.

Notice of Early Redemption to the Holders of Standstill Sukuk Bonds USD 2,500,000 Perpetual Subordinated Variable Rate Notes

Colonial Colonial Finance Limited A.C.N. 007 325 033 US\$150,000,000 Subordinated Guaranteed Floating Rate Notes 2005



Impala Platinum Holdings Limited Registration No. 570197906

The major features of the financial year ended 30 June 1996 for the Implats group were:

- the blocking by the European Commission of the merger with Western and Eastern Platinum
the issue by the Bafokeng Tribe of a legal challenge to all the agreements
dollar metal prices which fell 16% over the year
Rand prices which fell in parallel until the currency crisis in February stimulated a recovery, to the levels of a year ago

Based upon these disappointing circumstances and a sense that recovery in our principal markets may be some time away, your directors have reduced the total dividend for the year by 75 cents to 100 cents per share.

Highlights from Consolidated Income Statement (R millions) 1996 1995
Turnover 2 317 2 435
Cost of sales 2 080 1 863
Income from platinum mining 207 472
Net financial income 74 17
Income before taxation 298 508
Lease, royalties and tax 133 264
Consolidated income after taxation 189 284
Attributable income 176 281
Distributable income for the year (31) 157
Dividends declared 62 109
Shares in issue (millions) 62.2 62.2
Attributable earnings per share (cents) 282 451
Dividends per share (cents) 100 17.5

Prospects The fundamentals of this business remain strong. Two necessary conditions to recovery are, firstly and most importantly to come to the end of Russian platinum sales from stock, and secondly to reinforce and encourage recent trends whereby the autocatalyst industry is re-evaluating its headlong dash into palladium.

Shareholders should note that \$193 million of anticipated receipts up to December 1996 is fixed at an average forward rate of R3.92 to the dollar.

Despite this limitation the weakening of the rand provides an opportunity to increase revenues while containing costs. The excitement in the company is the number of defined opportunities that exist to contain costs and improve efficiencies further.

J.M. McMahon Executive Chairman 13 August 1996
J.P. Müller Director

COMPANIES AND FINANCE: EUROPE

Prague tries foreign patience

A US investor is seeking more transparency in Czech markets

Angry foreign investors are commonplace in Prague, but few are as angry as Mr Howard Golden, president of the Central European Privatization Fund, a New York investment firm...

even though the stock market was rising. Some \$6m of CEFF's investment is in PIAS funds, a stable of privatisation funds among the largest on the Prague stock exchange...

Profits at SE-Banken jump in first half

By Greg Motvor in Stockholm

Skandinaviska Enskilda Banken, one of Sweden's leading banks, yesterday emphasised its return to health following heavy loan losses last year by announcing a jump in six-month operating profits from SEK47m to SEK2.7bn (400m)...

Vincent Boland

Creditanstalt moves step closer to sell-off

By Eric Frey in Vienna

The privatisation of Creditanstalt, Austria's second-largest bank, moved closer yesterday as First Austrian Savings Bank reached agreement in principle with its consortium partners on a joint holding group for Creditanstalt and First Austrian...



Viktor Klima: needs privatisation receipts for budget

Existing Creditanstalt and First Austrian shareholders would swap their stock for shares in the holding group, so only one class of stock would be publicly traded. This would facilitate the secondary stock offering for which the consortium wants to finance about one-third of its bid...

SPT lifts revenues to Kc15bn

By Vincent Boland in Prague

SPT Telecom, the Czech telecom operator in which PTT Telecom Netherlands and Swiss Telecom jointly own a 27 per cent stake, yesterday reported pre-tax profits of Kc4.48bn (\$168m) for the first half of 1996...

After-tax profits were Kc2.82bn. Comparative figures for the first half of 1995 are not available as the company has adopted international accounting standards this year...

Templeton
Templeton Global Strategy Siew
Société d'investissement à capital variable
Registered office: Centre Neuhourg, 36, Grand-rue, L-1660 Luxembourg
Notice of Extraordinary General Meeting of Shareholders of Templeton Global Strategy Siew
Notice is hereby given that an Extraordinary General Meeting of Shareholders (the "Meeting") of Templeton Global Strategy Siew (the "Company") will be held at the registered office of the Company on August 23, 1996, at 10.00 a.m., with the following agenda:

CONTRACTS & TENDERS
MINISTRY OF ARTS, CRAFTS AND TOURISM SPA BUREAU
INTERNATIONAL INVITATION TO TENDER FOR THE SALE OF THE JEBEL OUST HOTEL, SPA AND SPORTS COMPLEX
The State, in accordance with its policy of withdrawing from the competitive sector, is pursuing a programme to restructure the spa & water cure sector and sell all the production units of the Spa Bureau. Under this programme, an international invitation to tender is being launched for the sale of the Jebel Oust Hotel, Spa and Sports Complex.

Notice of Redemption
€150,000,000 GUARANTEED FLOATING RATE NOTES DUE DECEMBER 1997
Citicorp Finance PLC
Unconditionally Guaranteed by CITICORP
NOTICE IS HEREBY GIVEN THAT Citicorp Finance Plc has, pursuant to the Prospectus dated December 6, 1985 elected to redeem on September 27, 1996 (the "Redemption Date") all of the €150,000,000 Guaranteed Floating Rate Notes Due December 1997 unconditionally guaranteed by Citicorp.

DM 100,000,000
Bank Austria
Z-Länderbank Bank Austria Aktiengesellschaft
Fixed/Inverse Floating Rate Notes due 2000
Notice is hereby given that for the six months interest period from August 14, 1996 to February 14, 1997 the Notes will carry an interest rate of 14.98877% per annum. The interest payable on the relevant interest payment date, February 14, 1997 will be DM 7,850.89 per DM 100,000 denomination.

St. George Bank Limited
U.S. \$100,000,000
Floating Rate Notes due 1998
Notice is hereby given that for the interest period 13th August, 1996 to 13th November, 1996 the Notes will carry a Rate of Interest of 6.0125% per annum. The interest payable will be U.S. \$133.45 per U.S. \$100,000 Notes and U.S. \$1,336.53 per U.S. \$100,000 Note. The Interest Payment Date will be 13th November, 1996.

Dixons Greenbu
Sedgwick for sector
HSBC buys dollar clearing
PHARMACEUTICAL BUSINESS NEWS
Marketing Finance
Call or fax now

صندوق الاستثمار

TOKYO PACIFIC HOLDINGS N.V.

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Tokyo Pacific Holdings N.V. ("TPH") has its registered office in Curaçao, Netherlands Antilles.

Shareholders of TPH are hereby invited to attend an extraordinary general meeting of shareholders to be held at the office of the company at John B. Gorsiraweg 14, Willemstad, Curaçao, Netherlands Antilles at 3.00 p.m. (local time) on September 4, 1996.

The complete agenda which includes, among other things, a resolution to alter the articles of association and a resolution to move the registered office of TPH to Luxembourg, and the text of the proposal to amend the articles of association, has been deposited for inspection by the shareholders at the office of the company and at the offices of the paying agents referred to below.

Copies of the agenda and the text of the proposal to amend the articles of association may be obtained by the shareholders free of charge at the below-mentioned locations.

The holders of bearer shares must deposit their share certificates with one of the following paying agents offices in order to gain admission to the meeting. In exchange for the deposit, they will be issued with a receipt which also serves as proof of admission to the meeting.

The holders of registered shares should inform the Management Board of TPH in writing by August 28, 1996 at the latest if they wish to attend the meeting.

Willemstad, Curaçao, August 14, 1996.

THE MANAGEMENT BOARD

Paying Agents

Table listing paying agents: MeesPierson N.V., Rokin 55, 1012 KK Amsterdam, The Netherlands; Trinkhaus & Burkhart, Königallee 21-23, D-4000 Düsseldorf, Germany; Sal Oppenheim Jr. & Cie, Unter Sachsenhausen 4, D-50667 Cologne, Germany.

The Top Opportunities Section. Advertise your senior management positions to Europe's business readership. For information please contact: Andrew Skarzynski +44 0171 873 4054; Toby Flinden-Crofts +44 0171 873 4027; Will Thomas +44 0171 873 3779.

COMPANIES AND FINANCE: UK

Facia creditors told of 'significant' intergroup deals

By Clay Harris and William Lewis

The collapse of Facia resulted from concerns about "significant" transactions between the retail group and companies owned privately by its chairman, Mr Stephen Hinchliffe, creditors were told yesterday. Mr Tony Thompson of KPAC, joint administrative receiver for Facia and several of its subsidiaries, told creditors: "Although the companies were not legally connected except by their ultimate shareholder, significant intergroup balances built up between the Facia companies and the companies owning the Hinchliffe businesses."

In his report to a meeting attended by about 70 representatives of creditors, Mr Thompson said it was concerned about these intergroup balances which led Sears, the retailer, to begin the process which led to all 850 stores owned by Facia or Mr Hinchliffe entering insolvency proceedings. The Serious Fraud Office is investigating the transfer of at least £10m (\$15.6m) from the Facia group. With South Yorkshire police, the SFO last week raided five premises. Mr Thompson said he was assisting the SFO investigation. Mr Thompson told creditors that the main assets of Facia Ltd, the group company, are debts due from companies owned by Mr Hinchliffe which are not the subject of insolvency proceedings. "We are currently pursuing these debtors," Mr Thompson said in his report to creditors. He added that disposal of Facia's company cars had been "complicated by the difficulties in proving ownership as a result of conflicting data in the companies' records". In addition to the Facia holding company, yesterday's meeting also related to companies which had owned Sock Shop, Red or Dead, Oakland Menswear, Contessa, Torq and Saltburys, whose administrative receiver is Mr Maurice Withall of Grant Thornton. KPMG closed Torq, a costume jewellery retailer, after an agreed sale collapsed, but most of the other businesses have been successfully sold. Mr Thompson said all parts of the Facia group - which accounted for 450 shops with estimated annual turnover of £180m - were incurring trading losses before its collapse in June. Mr Thompson said the group surplus available after payment of all creditors could range from £700,000 to £5.6m, although some companies might show no surplus. The group faced gross claims of about £50m, Mr Thompson said.

French purchase buoys Persona

By Christopher Price

The takeover of a French computer and network distribution group and continued strong demand in the UK helped Persona, the specialist PC products distributor, double pre-tax profits in the first six months of the year. Pre-tax profits rose from £1.35m to £2.71m (\$4.2m), including the exceptional £441,000 costs associated with the £20m purchase in January of Paris-based Top Log. Profits before exceptional costs increased to £2.15m on turnover of £85.2m (\$24.3m). Persona said its strong position in the UK and France provided a springboard for further expansion, including the contribution from Top Log, accounted for just over half of group turnover at 56 per cent. Top Log contributed £31m to sales. In France, the merger had enabled Persona to sign supply agreements with 3Com, Bay Networks, Compaq, Microsoft and Netscape. The UK, where sales rose by 54 per cent to £38.2m



Wayne Channon: plans further expansion in Europe

Flextech and BskyB compete to woo BBC

By Raymond Snoddy

Both British Sky Broadcasting and Flextech are competing for the "hand" of the BBC because of the pressing need for high quality programmes for new digital satellite services. The BBC is talking to BskyB, the satellite television company, about the possibility of a digital television joint venture, while at the same time negotiating with Flextech, the cable and satellite channel provider. The BBC hopes to play both suitors off against each other to get the best deal. Flextech, which is controlled by TCI of Denver, one of the world's largest media groups, confirmed yesterday it was in "preliminary discussions with the BBC concerning a possible joint venture". Talks over the launch of at least six satellite channels drawing on the BBC's extensive programme library have been going on for four months. Flextech has, it is believed, reserved four transponders on a digital satellite due for launch in November 1997, and the BBC has an option on a single transponder. Each digital transponder, which takes the signal from earth and rebroadcasts it to viewers, can transmit at least eight channels of television. BskyB has leased a total of 14 digital transponders and plans to launch more than 200 digital channels before the end of 1997. Flextech, which has interests in or manages 13 cable and satellite channels and has plans to expand, also confirmed that it is in discussions with Pearson and Cox Communications of Atlanta about acquiring their stakes in UK Gold and UK Living.

JCI Limited logo and Western Areas Gold Mining Company Limited (Registration number 59/08809/06) ("Western Areas" or "the Company") (Incorporated in the Republic of South Africa).

RESULTS OF ELECTION TO RECEIVE A FINAL DIVIDEND INSTEAD OF THE CAPITALISATION AWARD AND AN ELECTION TO SUBSCRIBE FOR NEW SHARES

The right of election to receive a final dividend instead of an award of capitalisation shares ("the Capitalisation Award") and the right of election by those shareholders electing the dividend to apply the dividend in subscribing for new Western Areas shares ("the Subscription") made to ordinary shareholders registered at the close of business on Friday, 5 July 1996 ("the record date"), closed at 16:00 on Thursday, 8 August 1996. The weighted average traded price of Western Areas ordinary shares on The Johannesburg Stock Exchange ("the JSE") on Wednesday, 7 August 1996 was R63.44. Accordingly, the award of capitalisation shares and the subscription for new shares was determined as a ratio of 0.9930643 new shares for each 100 shares held on the record date.

Elections to receive a final dividend of 60 cents per share in respect of the year ended 30 June 1996 instead of the Capitalisation Award were received in respect of 62,041,603 shares. Accordingly, a final dividend of 60 cents per share was declared on 13 August 1996 on 62,041,603 ordinary shares in respect of the year ended 30 June 1996. Elections to apply this dividend in subscribing for new shares in Western Areas were received in respect of 52,164,448 of these shares. An amount of R31,298,668.80 was therefore applied in terms of the Subscription. Accordingly, 803,729 new fully paid Western Areas ordinary shares of R1 each have been allotted in terms of the Capitalisation Award and the Subscription and the issued share capital of Western Areas has been increased to 91,615,113 ordinary shares.

The listing of 803,729 new ordinary shares in Western Areas will commence on the JSE from the commencement of business on Wednesday, 14 August 1996.

The offer by JCI Limited to acquire the new ordinary shares in Western Areas was accepted by shareholders in respect of 42,624 shares.

Cheques in respect of the final dividend and shares sold for the benefit of shareholders, as well as share certificates, will be posted to shareholders on Wednesday, 14 August 1996.

Johannesburg 14 August 1996

MONTEISON BULLETIN. Montedison provides information to the public regarding changes to the Company's ownership of which it has had notice and which are significant within the meaning of Art. 1/5 bis of Law 216 of June 7, 1974 and the Treasury Ministry Decree of February 10, 1994, published in Italian Official Gazette No. 35 of February 12, 1994. Table with columns: Stockholder, Total ordinary shareholding advised, % of voting capital. Includes Compart Spa, La Fondiaria Assicurazioni Spa, Milano Assicurazioni Spa.

GROUPE PARIBAS Public tender offer of Groupe Paribas for Compagnie Financière Ottomane. Groupe Paribas announces that following its public offer to purchase the entire share capital and all founder's shares of Compagnie Financière Ottomane S.A., it held 96% of the company's capital and 95% of its founder's shares.

THE BANKER 1000 FT logo.

CONTRACTS & TENDERS

ARAB REPUBLIC OF EGYPT MINISTRY OF TRANSPORTATION CIVIL AVIATION AUTHORITY INVITATION FOR PREQUALIFICATION (P.Q)

- THE EGYPTIAN CIVIL AVIATION AUTHORITY INTENDS TO EXECUTE A NEW AIRPORT IN MARSA ALAM - RED SEA GOVERNORATE WHICH WILL BE EVENTUALLY MANAGED BY PRIVATE SECTOR. - ACCORDINGLY, THE EGYPTIAN CIVIL AVIATION AUTHORITY INVITES SPECIALIZED INTERNATIONAL CONSULTING OFFICES TO SUBMIT THEIR PREQUALIFICATIONS IN THE FIELD OF CONSTRUCTION AND MANAGEMENT OF CIVIL AIRPORTS. - THE SCOPE OF SERVICES TO BE RENDERED BY THE SELECTED CONSULTING FIRM SHOULD COVER BUT NOT LIMITED TO THE FOLLOWING :- 1- FEASIBILITY STUDY 2- AIRPORT SITE SELECTION 3- TENDERING, FINANCING, DESIGN, SUPERVISION OF EXECUTION, COMMISSION AND OPERATION OF THE AIRPORT. 4- DETERMINATION OF THE PROCEDURE AND THE DATE OF THE HANDING OVER OF THE AIRPORT TO THE ECAA. - DEADLINE FOR THE SUBMISSION OF P-Q IS: 30/10/96 - ADDRESS OF ECAA 31, 26 JULY ST., CAIRO, A.R.E. ATTN. GENERAL MANAGER OF FOREIGN CONTRACTS, LOCAL PURCHASES AND STORAGES.

Alliance Res to merge with Latex

Alliance Resources, the US-based oil and gas company, yesterday announced a merger with Latex Resources, a US rival, and the settlement of a legal action against its former chief executive, writes Geoff Dyer. The group, which last year disclosed an exceptional charge of £10.6m (\$16.4m) related to the alleged misrepresentation of oil and gas reserves, had accused Mr John O'Brien of fraud. The group refused to reveal details of the settlement. The Serious Fraud Office is conducting an inquiry into the events at Alliance, which left the group with only \$5m

of oil and gas assets. Mr Brian Williams, finance director, said that the merger with Oklahoma-based Latex was "a good way of kick-starting the company" after the problems of last year. Latex has oil and gas producing properties in 14 states in the US. Latex shareholders will receive shares in Alliance equivalent to 72 per cent of the equity of the enlarged group. Prior to the merger, there will be a 40 to one consolidation of Alliance shares. The enlarged group is to maintain Alliance's London listing and drop Latex's listing on Nasdaq.

NOTICE to the holders of these of the U.K. £175,000,000 7 3/4% per cent. Notes due 1998. Includes details of the Granada Group PLC and the Serious Fraud Office.

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صحة من الاجل

FINANCE: UK
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BUSINESS AND THE ENVIRONMENT

The land either side of the mighty Columbia river, once among the greatest salmon rivers of the world, seems pristine - clear open scrub and desert.

But as the river swings through north-east Washington State in the Pacific Northwest of the US, it passes through one of the world's largest military industrial complexes.

The Hanford Site, nearly 500 sq miles, comprises a plutonium production complex and an energy and weapons research facility administered by the US Department of Energy since 1943.

Now, in what is probably the biggest environmental clean-up project in the world, Hanford is to be returned to silence and desert. Its deactivation will be part of a 75-100 year programme to wind down much of the US nuclear weapons capability.

Estimates of the total costs run from \$230bn (£147bn) to more than \$500bn - compared with the \$375bn in current dollars it cost to research, build and test the arsenal in the first place. Hanford's share, currently running at \$1.4bn a year, could easily exceed \$50bn in total.

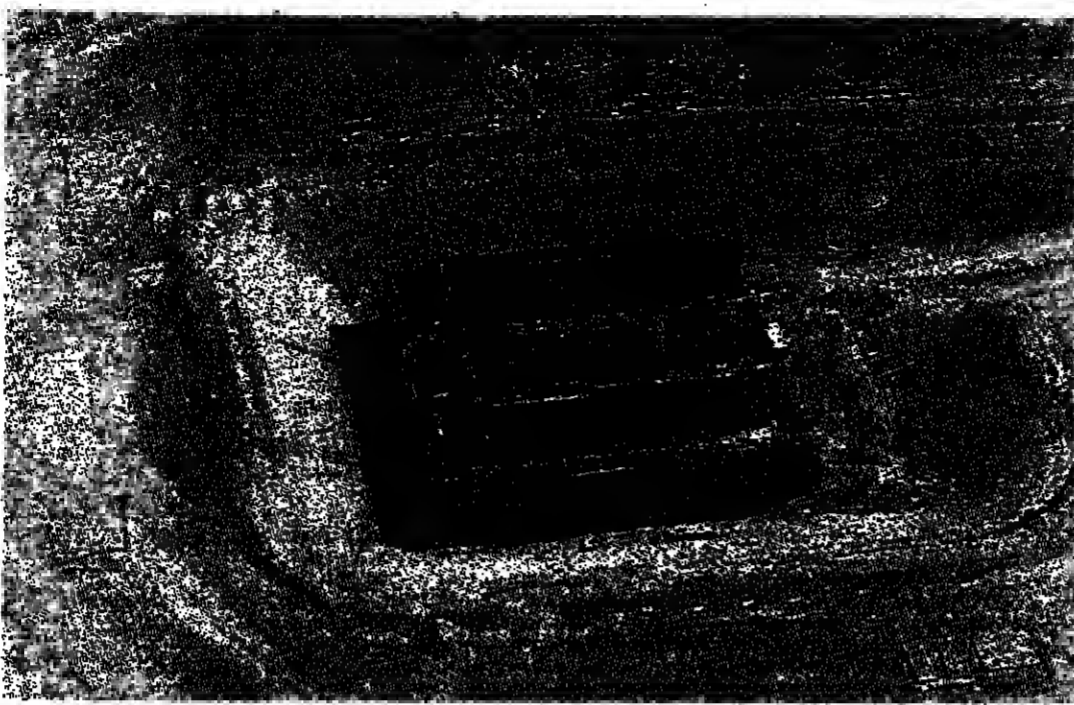
Apart from the federal deficit, the cost of the work to which the DOE is committed is the US government's biggest single liability. And, in an ever leaner budgetary climate (Hanford's share may be reduced to \$1.05bn in fiscal 1998 and held at that level for 40 years) the DOE has been obliged to adopt more rigorous standards than ever before.

A new system of contracting is promised in order to bring the best in private-sector incentives to one of humanity's biggest environmental challenges.

In the early days of weapons construction, when risks and costs were unknown and constantly changing, contracts were awarded on a cost-plus or cost-reimbursable basis. Under this system, the DOE reimbursed a contractor for all its expenses in making a product or performing a service, and added a percentage of the total cost for profit. The more a company charged, the greater its profit.

With the end of the cold war, this cozy arrangement was no longer tenable.

For the deactivation and clean-up phase, the DOE is moving to performance-based contracts, which build in penalties and risks for the contractor. Westinghouse Hanford, a leading contractor, agreed to such a contract in 1995 and in March of this year agreed to new terms which further tightened risk and reward. Westinghouse bid now earn



Deactivating Hanford military complex will bring in performance-based agreements for the contractors

Lean and clean

Caspar Henderson on winding down Hanford complex

nearly \$20m extra, in addition to the agreed fee, for exceeding specific milestones, but can also lose up to half the initial fee by failing to make what the DOE defines as "excellent progress on separate long-term goals".

The DOE is now extending this principle to the management of the site as a whole. The new Project Hanford Management Contract (PHMC), worth \$4.6bn over an initial five-year period and containing options for an additional five years, will be awarded in the next few weeks to one of three consortia led by Bechtel Northwest, Fluor Daniel Hanford and Raytheon Hanford respectively.

The PHMC represents "a fundamental departure from traditional contracting practices," says DOE spokesman Guy Schein.

James Noel of the General Accounting Office (a federal body that monitors expenditure and management) welcomes the change. Those former contractual practices "have been at the heart of the problems they have had," he says. "It would be hard to overstate how much is riding on the new PHMC. We have been on this

clean-up effort for six years, and we are still not out of the starting block," a Hanford insider told an investigation by Scientific American magazine this spring. "No programme - for tank clean-up, groundwater remediation or anything else - has lasted more than two years. We are not sustaining a long-term vision, and investment in that vision, long enough to make any progress."

The sheer scale of the challenge at Hanford is staggering. There are 177 underground tanks of high-level nuclear waste, five huge buildings where plutonium was extracted, and 2,100 tonnes of irradiated fuel. All are to be secured and sealed for thousands of years to cool down.

Some tasks will be made doubly difficult by what now seems like extraordinary carelessness in the past. Single-shell tanks for high-level waste were known to be leaking in 1989, but waste was still being put into them in 1990. "It is hard to explain this history in a rational way," says Andrew Caputo of the National Resources Defence Council. Hanford's "honest" critics acknowledge that some founda-

tion for progress exists in the Tri Party Agreement or TPA. Signed in 1989 by the State of Washington, the DOE and the federal Environmental Protection Agency, the TPA enabled the three parties to work together in spite of a history of deep mistrust.

The TPA listed specific activities and deadlines in deactivation and clean-up, and the DOE can be fined for missing them. As such, it was hailed as a milestone. But, says Caputo, the DOE, its contractors and the state eventually realised that the set schedule was "wildly unrealistic".

Performance-based contracting is intended to overcome such shortcomings and to encourage pragmatism, efficiency and innovation, while keeping strategic goals in sight.

Many observers say it is too early to judge its potential. But one former DOE official says there are basic flaws in the approach: "I have no confidence that the DOE can get all the detailed knowledge they need to make it work. They will have to rely on the contractors to do the assignments. [of the precise nature of the problems to be addressed under a contract]."

Rooting out contamination

As natural extractors, plants could offer an affordable way to clean up soil, writes Tom Meagher

A relatively cheap and effective way to clean up land contaminated by toxic heavy metals may be right at the feet of all the government agencies, municipalities and industries searching for a solution to a serious environmental problem.

The challenge of removing heavy metals, such as cadmium and mercury, from soil could be helped by use of genetically optimised plants - solar-driven factories dedicated to extracting raw materials from the ground.

When using conventional methods, such as soil-processing, the cost of cleaning US sites poisoned by heavy metals may be as high as \$70m (£4.4bn). Remediation of US sites where heavy metals are combined with organic contaminants, such as solvents, has been estimated at costing another \$35bn.

Little wonder, then, that the possibility of using vastly cheaper recruits from the plant kingdom is attracting interest from industry, government and scientists.

All plants extract nutrients from the environment, including the soil and water. Some of them extract additional elements - including cadmium, chromium, silver, gold, zinc or mercury - from the soil although they do not appear to need them.

The extractive technique is known as phyto-remediation. The field is growing rapidly because of recent advances in technology, protein chemistry, and plant molecular biology. The advances are allowing scientists to expand their understanding and implementation of the biochemical mechanisms used by plants to detoxify substances.

"This is a technology that is up to the task," says Rich Meagher, a molecular biologist, "and I think the time is here that we can do it." Meagher is using plant genetic engineering at the University of Georgia to address the problem of

extracting mercury from soil. Meagher's work exploits the characteristics of genes found in microbes that live in soil. These genes enable the bacteria to live in environments that are too toxic to support most living things.

The bacteria also use the gene to process some heavy metals, but plants have more energy for metals processing than the microbes. "The natural clean-up rate," says Meagher, "tends to be many thousands of years for one of these sites because the bacteria are so slow at it. We want to increase that maybe 100-fold, but not more."

By relocating the particular microbial genes into receptive host plants, and growing the

mercury that my plants converted in the laboratory was 10 nanograms per milligram of plant tissue per minute by weight of the plant tissue. That may not sound like much, but remember, that's per plant, per minute. It may be less efficient in the field, but the power is there to do something remarkable."

Future transgenic trees and grasses could be selected for success in a specific type of climate or soil and could be engineered to prefer one or another heavy metal. Because these plants would be genetically tailor-made for a particular job, they would generate a minimum of collateral damage in the remediation of specific hazardous sites.

Meagher says that if the tests and experiments go as well as he expects, the use of such plants could have a big environmental impact on any site contaminated with mercury and, possibly, other metals.

There are some obstacles to be surmounted, however. Federal agencies, including the US Environmental Protection Agency, are jittery about genetically engineered species.

It is not yet clear whether the genetically engineered plants will be allowed to grow in open fields in the US. But some other governments, such as the UK, are looking more closely at the plant solution and are allowing preliminary field-tests.

Also, many sites where metals have poisoned the soil will not support ordinary indigenous vegetation - leading to rapid erosion, with water leaching out the metals and spreading the toxins. One solution is to grow naturally metal-resistant plants on the site to hold the soil.

The ultimate focus of the Georgia team's work will be getting the transgenic properties working in trees and grasses. "Meeting that goal, says Meagher, "may take two tries, but I don't think it will take 10."

There would be no measurable increase in the atmospheric levels if plants were used to clean every site in the US over the next 20 years'

plants in metal-contaminated media, Meagher's team is producing plants that extract the mercury from the soil, break down the poison biochemically and release it into the atmosphere in a non-toxic form and lower concentrations. "There would be no measurable increase in the atmospheric levels if plants were used to clean every site in the US over the next 20 years," he says.

The Meagher team has succeeded in getting a microbial gene known as merA to work in a laboratory plant, *Arabidopsis thaliana*, a member of the cabbage family. The 12in tall plant was chosen because six or seven generations can be grown, tested and analysed in a year.

"The results were astounding - far better than we expected," Meagher says. "The amount of

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GLASGOW

INTERNATIONAL CAPITAL MARKETS

Inflation figures hit US Treasuries

By Lisa Branstetter in New York and Samer Iskandar in London

The release of unexpectedly strong figures on inflation for July sent US Treasuries lower in early trading yesterday, although prices remained well within the range they have held since the emergence of weak economic figures earlier this month.

Economists had forecast advances of 0.2 per cent overall and 0.1 per cent at the core level. A 0.1 per cent increase in retail sales last month was also negative for the market. Economists had predicted a modest drop.

Mr John Spinello, a government securities strategist at Merrill Lynch, attributed yesterday's activity to a modest loss of confidence but said that he did not see any panic.

GOVERNMENT BONDS

"I think the market reached valuation levels that required more positive news to bring in more buying and it didn't get that," he said.

European bond markets, which had opened on a positive note, lost most of their gains in the wake of weaker US Treasuries. After falling by more than 0.5 from the day's high of 98.02, Liffe's September bond future recovered slightly in late trading to close at 97.86, up 0.10 from Monday.

French interest rates remained under pressure from a weak franc, which approached the FF243 barrier against the D-Mark despite intervention from the Banque de France on the foreign exchange market.

contract fell 0.08 to 95.66. In the cash market, 10-year OATs underperformed bonds, the 10-year yield spread widening by 2 basis points to 8 points.

The Italian and Spanish markets closed barely changed, slightly underperforming bonds. Their 10-year yield spreads over the German market widened by 2 basis points to 326 and 267 points respectively.

Bank move suggests date for gilt strips

By Samer Iskandar

Coupons due after June 6 next year on stripable UK government bonds will be paid gross, the Bank of England announced yesterday - leading traders to speculate that June 7 could be the starting date of the long-awaited new market in gilt strips.

ABSA Bank and MOL achieve finest terms yet

By Antonia Sharpe

A \$200m one-year loan for South Africa's ABSA Bank and a \$100m two-tranche facility for MOL, Hungary's oil and gas company, are keeping the syndicated loans market ticking over during the traditionally quiet month of August.

The six-year tranche carries a margin of 85 basis points over Libor while the seven-year tranche pays 115 basis points over Libor. The loan was launched into general syndication last week and bankers involved in the transaction said the response from the market so far had been positive.

SYNDICATED LOANS

Both transactions set ever finer terms for the borrowers, reflecting the continued competition among banks to lend to emerging market credits.

The margin on ABSA's loan, originally underwritten by Credit Suisse and then sub-underwritten by Bank of Tokyo/Mitsubishi, Citibank, ING Barings, Midland and NatWest, has been set at 27% basis points over Libor, plus participation fees ranging from three to five basis points.

The loan, representing new money for the borrower, was launched into general syndication earlier this week and the process is expected to take two weeks. It is scheduled to be drawn on September 16.

Bankers involved in the transaction said the low weighting of the loan was likely to attract participations from banks, particularly those with larger one-year lines available to South African borrowers.

Dollar benchmark issue from BGB

By Richard Lapper

An inaugural dollar benchmark issue by a German investment bank formed only two years ago and a Turkish D-Mark denominated deal to

BGB, which raised the funds under a \$5bn euro medium-term note (EMTN) programme, swapped the proceeds into floating-rate dollars to generate funding at a sub-Libor rate.

New international bond issues

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Face, Spread, Book-runner. Includes US Dollars, Euro, and Australian Dollars.

DM500m issue by Republic of Turkey

A DM500m issue by the Republic of Turkey, its second D-Mark issue of the year, will be sold largely to retail investors.

Hambros said the five-year sector was becoming more popular than shorter-dated paper

Hambros said the five-year sector was becoming more popular than shorter-dated paper, following recent reductions in interest rates in Australia, the rally in international bond markets and steepening in the Australian yield curve.

WORLD BOND PRICES

Table of benchmark government bonds for Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, and US Treasury.

DM250,000 points of 100%

Table of DM250,000 points of 100% for Italy, National Italian Govt Bond, and Italian Govt Bond.

FT-ACTUARIES FIXED INTEREST INDICES

Table of FT-Actuaries Fixed Interest Indices for various maturities and coupon rates.

GILT EDGED ACTIVITY INDICES

Table of Gilt Edged Activity Indices for various maturities and coupon rates.

US INTEREST RATES

Table of US Interest Rates for Treasury Bills and Bond Yields.

EURO BOND FUTURES (MATIF) ECU100,000

Table of Euro Bond Futures (MATIF) ECU100,000 for various maturities.

FT/ISMA INTERNATIONAL BOND SERVICE

Table of FT/ISMA International Bond Service for various international bonds.

CONVERTIBLE BONDS

Table of Convertible Bonds for various convertible bonds.

BOND FUTURES AND OPTIONS

Table of Bond Futures and Options for various maturities and options.

UK GILTS PRICES

Table of UK Gilts Prices for various maturities and options.

Other Fixed Interest

Table of Other Fixed Interest for various fixed interest instruments.

DEUTSCHE MARK STRAIGHTS

Table of Deutsche Mark Straights for various Deutsche Mark bonds.

FINANCIAL TIMES

Table of Financial Times for various financial instruments.

FINANCIAL TIMES

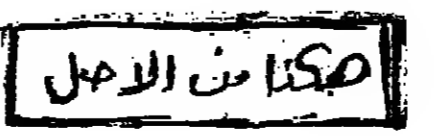
Table of Financial Times for various financial instruments.

FINANCIAL TIMES

Table of Financial Times for various financial instruments.

FINANCIAL TIMES

Table of Financial Times for various financial instruments.



Large advertisement for Franc Com and other financial services, including contact information and promotional text.

سوقنا من الامل

CURRENCIES AND MONEY

MARKETS REPORT

Franc concerns trouble summer markets

By Richard Adams
Continued concerns over the future of the French franc punctuated an otherwise quiet day on the markets yesterday, with little movement in the major currencies thought likely this week.

DML4763 at Monday's close, while against the pound it was DM2.2904, from DM2.2996.
The Swedish kroner fell to SKr2.223 against the D-Mark, from SKr2.216, after the central bank cut its central interest rate, the repo rate, by 15 basis points to 5.40 per cent.

In its monthly report released yesterday, the Bundesbank reported that it would continue to monitor M3 money supply to assess the scope for lower rates.
The bank writes: "The Bundesbank will carefully observe the developments of M3 in the next months to determine whether it and monetary policy conditions present room for lower money market rates."



level Mr Burke said would be "a tough nut to crack".
Other analysts put the franc's weakness down to a combination of technical reasons and continued uncertainty over the French government's ability to deliver a budget deficit under the Maastricht treaty's 3 per cent criteria. "They've got to do something, no one believes they can do," one said.

Its July exports were down by 3 per cent, the first time for three years.
South Korea's powerful export sector lobby has been agitating for a more competitive exchange rate for some time, and its demands may have been met by the appointment of a new finance minister last week.

WORLD INTEREST RATES

Table of World Interest Rates showing Money Rates for various countries (Belgium, France, Germany, etc.) with columns for August '96, One month, Three months, Six months, One year, and Repo rate.

EURO CURRENCY INTEREST RATES

Table of Euro Currency Interest Rates showing rates for various European currencies like the D-Mark, French Franc, and Japanese Yen.

POUND SPOT

Table of Pound Spot rates for various countries including Australia, Belgium, Denmark, France, Germany, etc.

DOLLAR SPOT

Table of Dollar Spot rates for various countries including Australia, Belgium, Denmark, France, Germany, etc.

FRANC SPOT

Table of Franc Spot rates for various countries including Australia, Belgium, Denmark, France, Germany, etc.

YEN SPOT

Table of Yen Spot rates for various countries including Australia, Belgium, Denmark, France, Germany, etc.

CROSS RATES AND DERIVATIVES

Table of Exchange Cross Rates for various currencies like the D-Mark, Swiss Franc, etc.

UK INTEREST RATES

Table of UK Interest Rates for various terms like London Money Rates, Sterling Futures, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table of EMS European Currency Unit Rates for various European currencies.

BASE LENDING RATES

Table of Base Lending Rates for various banks and financial institutions.

FUTURES AND OPTIONS

Table of Futures and Options prices for various commodities and currencies.

MARKET-EYE

Market-Eye advertisement featuring a logo and contact information for a financial services provider.

FUTURES - TAX FREE

IG Index Financial advertisement highlighting tax-free futures trading opportunities.

OFFSHORE COMPANIES

Advertisement for offshore companies, offering legal and financial services.

REUTERS 1000

Advertisement for Reuters 1000, a financial data and news service.

FAST FILLS

Fast Fills advertisement for Lind-Wallock & Company, offering fast and low-commission futures trading.

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COMMODITIES AND AGRICULTURE

MARKET REPORT

Copper prices bounce after finding support

COPPER prices bounced on the London Metal Exchange yesterday after an early fall revealed underlying support. The three months delivery position at one stage fell below \$1,920 a tonne, but the selling proved to be half-hearted, and by the end of after hours "kerb" trading the price was back at \$1,927, a \$4 advance from Monday. Traders suggested that concern about possible cuts

Table with 2 columns: Commodity Name and Price/Change. Includes Aluminum alloy, Copper, Lead, Nickel, Zinc.

In price-sensitive scrap recycling was likely to discourage any concerted effort to take the copper price

below \$1,900 a tonne. ALUMINIUM prices again met good support on dips towards \$1,500 a tonne in the three months price, which fostered an impressive rally to the day's highs. NICKEL prices staged a partial recovery during the latter part of the afternoon, with the three months price deemed overall below \$7,100 a tonne. Compiled from Reuters

India has bumper jute crop

By Kunal Bose in Calcutta

India is harvesting a bumper jute crop. After four lean years, the world's biggest grower of the hard fibre has enjoyed normal to excess rainfall in all producing centres; and with the farmers planting nearly 25 per cent more land to the crop India appears set to produce over 10m bales (180kg each) of raw jute in the 1996-97 (July-June) season, up from 7.8m last year. "The bumper crop has come as a big relief to the beleaguered jute mill industry, which in the final quarter of last season had to cut back production sharply, closing down some factories," said Mr S.K. Bhattacharya, secretary general of the Indian Jute Mills Association. "The industry suffered huge losses as it was not possible to pass on to the consumers of jute goods the additional cost arising from the record raw jute prices."

around 45,000 quintals," said Mr Shankar Ladia, spokesman for the Jute Balers' Association. "This will rise to over 125,000 quintals by the middle of September, which marks the beginning of the busy marketing period for jute. Therefore, the trade is reconciled to the fact that the jute prices will fall even further." The extent of the fall so far has taken the mills by surprise, however. This is because the growers, while enjoying very high returns in the past two years, have considerably improved their holding capacity. "Farmers in the early jute growing areas like Assam and north Bengal have no doubt capitulated," said Mr Ladia. "The JBA has reports that in some places the farmers even resorted to premature harvesting to take advantage of the high prices. When the crop is so big, everyone turns into a keen seller."

Besides the certainty of a large crop, reports that the mills will be seeking government permission to work 18 shifts a week, compared with the normal 21, has unnerved the growers. Mr Bhattacharya said that, because of the abnormally high fibre prices last year, "the industry lost market for jute goods both here and abroad to synthetic substitute products. Moreover, the prevailing prices of jute goods are not allowing the mills to recover the cost of production." The mills are happy with the quality of jute received so far. "But for the retting [soaking] of a crop of over 10m bales, the canals and the ponds must be full till the end of September," said an official at the jute directorate. "Last year, the production of export quality yarn and fine hessian was affected due to the shortage of high grades of jute. We do not visualise any such problem in the current season." In spite of the damage caused by floods last month, Bangladesh is also having a bumper jute crop. While the government has fixed a target of 4.7m bales for 1996-97, the trade thinks that the total will be at least 5m, compared with less than 4m last year. Bangladesh, which hopes to export 1.5m bales of jute in 1996-97, is expecting strong demand from Pakistan, Thailand, Egypt and Ivory Coast. India, which bought 174,607 bales of Bangladesh jute last season, may not import anything in 1996-97.

NZ wool sector hopes for demand growth

Growers are being urged to hold out for better prices, writes Terry Hall

The New Zealand wool selling season has begun in a lacklustre fashion and the trade is advising farmers to hold on to their wool for a few months, awaiting an expected upturn in prices. A variety of factors - including high levels of wool remaining unsold from last season - are expected to weigh down prices at auctions over the next three months or so. As a result both the Wool Board (now known as Wools of New Zealand) and the Wool Exporters Council are agreed that this should lead to prices remaining around present modest levels. Prices have fallen marginally at the first two sales of the season. This is providing considerable uncertainty in the industry following the unexpectedly poor sales and downward trend in prices last season. Wool exporters are waiting anxiously for signs that business will pick up after the northern hemisphere holiday season ends next month and mills get back to full production. Wools of New Zealand is pinning its hopes for a price revival on predictions that the expected recovery in economic growth in Germany, Australia and Japan will be translated to a boost for textiles generally. There are some positive factors for crossbred wool,



Woolgrowers are anxiously watching for signs of economic recovery in Europe and Japan

wool to China - apparently because its inhabitants have been eating most of their sheep. In recent months FSU exports - raising the prospect that China will have to increase its buying from elsewhere, especially of fine wool. The best news for sheep farmers this season, however, would be confirmation of the expected recovery in the European and Japanese economies and a fall in the value of the New Zealand dollar after the election. Wools of New Zealand is forecasting that prices will rise for fine wools, especially for superfines, which will be in short supply. Last season's average price for fine wool was NZ\$7.57 (US\$5.40) a kilogram, and the board says prices could average between NZ\$7 and NZ\$9 when the season ends next June. It is less optimistic about medium micron wools. Prices for these types fell over the past six months and this trend could continue, it says. Last season's average price for medium wools was NZ\$5.51 a kilogram, and the board believes this season's average could be anywhere between NZ\$4.75 and NZ\$5.25. It expects a slight improvement in crossbred wool, the bulk of the New Zealand clip from last season's average of NZ\$4.58 to about NZ\$5.

the bulk of the New Zealand clip, which was developed for use in carpets. One is that nylon fibre producers in the US raised their prices up to 15 per cent last month in response to strong demand for floor coverings in the US, where 60 per cent of carpets are made from the fibre. The New Zealand trade is watching the price of nylon closely as it could herald a revival in prices for woolen carpets as well. While these have only a 2 per cent market share in America, they remain much more popular in Europe - hence the close watch being kept for signs of an economic revival there. Wools of New Zealand is expecting a gradual improvement in prices as the season progresses. It says that though world wool production is forecast to fall slightly, total supply could be somewhat higher because of high stockpile levels. Demand from China is expected to remain steady, says Wools of New Zealand, although there is concern about what could happen if the Chinese authorities imposed a tight money policy to keep inflation below their target of 9 per cent. The big question hanging over Chinese buying relates to exports from the former Soviet Union. Over the past two years that area has become a major supplier of

formidable amount - it could be cleared in two sales - but its continuing presence is dampening sentiment. Demand from China is expected to remain steady, says Wools of New Zealand, although there is concern about what could happen if the Chinese authorities imposed a tight money policy to keep inflation below their target of 9 per cent. The big question hanging over Chinese buying relates to exports from the former Soviet Union. Over the past two years that area has become a major supplier of

many New Zealand farmers have held back wool for future sale, but the amount is unknown. In addition New Zealand wool brokers are holding nearly 4 per cent of the country's annual production in store. This is not a

Australian producers seek flexible stockpile sales

By Nikki Tait in Sydney

Despite repeated statements by Australia's federal government that it does not want to change the existing legislated timetable for selling off the country's large wool stockpile, the main wool growers' body has called for a more flexible wool release scheme. At a meeting in Canberra this week, the Wool Council of Australia endorsed a proposal that a minimum of 90,000 bales be sold each quarter, with no maximum specified. The industry body also voted to make January 1, 1997, the target date for starting its proposed programme, and said that it wanted to aim to eradicate the stockpile by end-December, 2000.

The wool growers maintained that their flexible approach would allow heavier selling of the stockpiled wool when prices were relatively high, and meant that reduced supplies would be fed into the market when demand was weak. At present, Wool International - the body charged with disposing of the stockpile - operates a "fixed release" scheme, which requires it to sell at least 120,000 bales a quarter. This legislated scheme is due to run until mid-1997. Over the past year, many

growers have been critical of this set-up - claiming that the WI sales were simply compounding the downward slide in wool prices. However, Mr John Anderson, Australia's new federal resources minister, has said on several occasions that his preference is to stay with the existing legislated timetable and that the government's main focus will be on re-establishing Australia's creditworthiness internationally.

Nevertheless, the minister has said that he will be prepared to listen to "well-reasoned arguments" and conceded that it would be possible to amend legislation in the coming parliamentary session. A ministerial "round table" made up of all interested parties, is scheduled to consider the issue on August 30. Australia accounts for about 30 per cent of world wool production.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Commodity, Price, Change. Includes Aluminum, Copper, Lead, Nickel, Zinc.

Precious Metals continued

GOLD COMEX (100 Troy oz; \$/troy oz.)

Table with columns: Date, Price, Change. Includes Gold, Silver, Platinum, Palladium.

GRAINS AND OIL SEEDS

WHEAT LCE (¢ per bushel)

Table with columns: Date, Price, Change. Includes Wheat, Soybeans, Corn, Barley.

SOFTS

COFFEE LCE (\$/tonne)

Table with columns: Date, Price, Change. Includes Coffee, Cocoa, Sugar.

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs; cents/lb)

Table with columns: Date, Price, Change. Includes Live Cattle, Hogs, Pigs, Sheep.

ENERGY

CRUDE OIL NYMEX (1,000 barrels; \$/barrel)

Table with columns: Date, Price, Change. Includes Crude Oil, Heating Oil, Gasoline.

PRECIOUS METALS

LONDON BULLION MARKET

Table with columns: Commodity, Price, Change. Includes Gold, Silver, Platinum, Palladium.

FUTURES DATA

Minor Metals

Table with columns: Commodity, Price, Change. Includes Aluminum, Copper, Lead, Nickel, Zinc.

INDICES

REUTERS (Base: 100/21=100)

Table with columns: Index Name, Value, Change. Includes FTSE 100, Nikkei, DAX.

LONDON TRADED OPTIONS

ALUMINUM

Table with columns: Contract, Price, Change. Includes Aluminum, Copper, Sugar.

LONDON SPOT MARKETS

CRUDE OIL FOB (per barrel)

Table with columns: Location, Price, Change. Includes Brent, WTI, OPEC.

JOTTER PAD

Table with columns: Commodity, Price, Change. Includes various metals and commodities.

CROSSWORD

Crossword puzzle grid with clues and solution.

- Government official needing change to dial PM (8)
Suddenly question a compulsive runner (6)
A quiet riverside place would be suitable (8)
Colour over the French turn (6)
A card rating ancient writings (6)
Not favouring the offer made by a rival (9)
Representative - a good man, and popular (5-2)
Visible apprehension (7)
They house single individuals naturally (6)
Quite vain to be blunt (9)
Exceptionally large and majestic (5)
Set at elbows (6)
Such a plant requires proper drainage (8)
A potential high-flier for example receiving a grant (9)
In early spring keeping very fresh (6)
There'll be insufficient if any land (6)
They make daily deliveries (5-4)
Over-firm from the very beginning (6)

سكنا من الامل

Offshore Funds and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4878 for more details.

FT MANAGED FUNDS SERVICE

Main table containing various fund categories such as Global Funds, UK Funds, and Offshore Funds, with columns for fund names, prices, and performance metrics.

Handwritten Arabic text: 'مركز الاستثمار'

صندوق من الامل

FT Managed Funds Service

Offshore Insurances and Other Funds

FT Cityline Unit Trust Prices are available on the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Table listing various FT Managed Funds, including categories like Global, UK, and International. Columns include fund name, price, and other details.

Table listing various Offshore Insurances and Other Funds, including categories like Life, Pensions, and Investment. Columns include fund name, price, and other details.

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MANAGED FUNDS NOTES: This section provides detailed information regarding the management and performance of the funds listed in the table.

صحة من الامل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for name, price, and change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for name, price, and change.

INVESTMENT COMPANIES

Table listing investment companies with columns for name, price, and change.

LEISURE & HOTELS

Table listing leisure and hotels companies with columns for name, price, and change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotels companies (continued).

LIFE ASSURANCE

Table listing life assurance companies with columns for name, price, and change.

MEDIA

Table listing media companies with columns for name, price, and change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for name, price, and change.

OIL, INTEGRATED

Table listing integrated oil companies with columns for name, price, and change.

OTHER FINANCIAL

Table listing other financial companies with columns for name, price, and change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for name, price, and change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for name, price, and change.

PROPERTY

Table listing property companies with columns for name, price, and change.

PROPERTY - Cont.

Table listing property companies (continued).

PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing food retailers with columns for name, price, and change.

RETAILERS, GENERAL

Table listing general retailers with columns for name, price, and change.

SUPPORT SERVICES

Table listing support services companies with columns for name, price, and change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for name, price, and change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for name, price, and change.

TOBACCO

Table listing tobacco companies with columns for name, price, and change.

TRANSPORT

Table listing transport companies with columns for name, price, and change.

WATER

Table listing water companies with columns for name, price, and change.

AM - Cont.

Table listing American companies with columns for name, price, and change.

AMERICANS

Table listing American companies (continued).

CANADIANS

Table listing Canadian companies with columns for name, price, and change.

SOUTH AFRICANS

Table listing South African companies with columns for name, price, and change.

Rockwell's advanced technology is helping railroads improve performance and promote safety.



GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Data, a... Prices for the London Share Service delivered by FT Data, a...

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LONDON STOCK EXCHANGE

MARKET REPORT

Weaker Wall Street fails to restrain London

By Philip Coggan, Markets Editor

The London market resumed its winning ways yesterday, after two sessions of modest losses, and the FT-SE 100 index closed within 1 per cent of its all-time high.

close of London trading, after higher-than-expected figures for consumer prices and retail sales depressed Treasury bonds and revived fears that the Federal Reserve might raise interest rates.

Mr Robert Buckland, UK equity strategist at HSBC James Capel said: "We're starting to catch up some of the daylight between ourselves and Wall Street. The mere fact that we've been left behind in the first part of the year allows us to outperform."

the Treasury bond market. However, short sterling futures, the market's vehicle for speculating on interest rate changes, continue to point to a rate rise by March 1997.

throughout the day, although it traded within a narrow range; its worst level of the day, 3,511.6, and its best, 3,826.4, occurred within 70 minutes of each other.

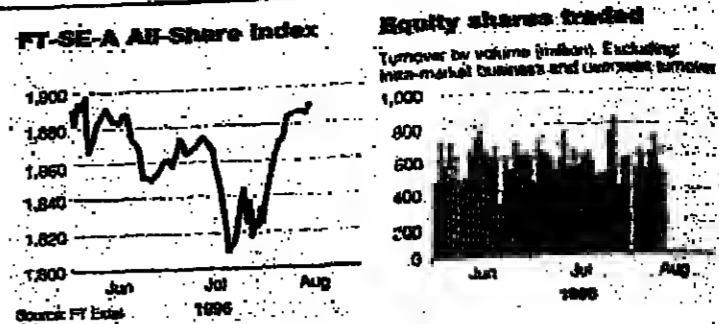


Table with 2 columns: Index and Ratio. Includes FT-SE 100 (3803.3, -7.4), FT-SE Mid 250 (4331.9, +0.7), FT-SE 350 (1905.1, -2.2), FT-SE All-Share (3826.4, -1.9), and FT-SE All-Share yield (3.91, 3.91).

Offer pricing hits Grid

By Peter John, Jeffrey Brown and John Duxbury

Market pessimists had prepared themselves for disappointing regulatory proposals for National Grid. But when the details filtered through they were sufficiently bleak to send the shares down 10 1/2 to 165p.

numbers for July put a UK rate cut back on some building analysts' agendas. "It gives the chancellor a highly visible green light", said one broker.

BOC deflated Gases and healthcare group BOC suffered a sharp slide that sent its share price down to a 10-month low.

profits for the year to September 1997 was lowered to between £460m and £470m from £505m previously.

market by 15 per cent over the past six months. NatWest reiterated its "reduce" advice and the stock ended off 9 at 257p.

ing caution after the strong run over the past month. Another analyst said the shares still reflected concerns over negotiations with Oriel, the industry regulator.

Flextech, the European subsidiary of Telecommunications Inc of the US, jumped 27 to 501p as it confirmed it was holding joint venture discussions with the BBC over a cable and satellite deal.

Carlsberg-Tetley sale undermined sentiment. Allied is expected to shortly announce the sale of its 50 per cent stake in Carlsberg-Tetley to B&S. These reports yesterday that the deal, thought to be worth around £200m, had been delayed.

Builders lively

Housebuilders kicked into action, after a period of sideways movement, as hopes for a cut in interest rates combined with reports that demand and prices were improving.

Third quarter profits were up 10 per cent and turnover was 5 per cent higher than the same quarter last year.

Table: FINANCIAL TIMES EQUITY INDICES. Columns: Index, Aug 13, Aug 12, Aug 8, Aug 7, Yr ago, High, Low. Includes Ordinary Shares, SEAO bargains, FT-SE AIM, and London market data.

Table: FT-SE ACTUARIES SHARE INDICES. Columns: Index, Aug 13, Aug 12, Aug 8, Aug 7, Yr ago, Div, Net, P/E, Xd, Total Return. Includes FT-SE 100, FT-SE Mid 250, FT-SE 350, FT-SE All-Share.

Table: FT-SE ACTUARIES ALL-SHARE. Columns: Index, Aug 13, Aug 12, Aug 8, Aug 7, Yr ago, Div, Net, P/E, Xd, Total Return. Includes 10 MINERAL EXTRACTION, 20 GEN INDUSTRIALS, 30 CONSUMER GOODS, 40 SERVICES, 50 UTILITIES, 60 FINANCIAL SERVICES, 70 INVESTMENT TRUSTS, 80 FT-SE ALL-SHARE, 90 FT-SE Pledging.

FUTURES AND OPTIONS

Table: FT-SE 100 INDEX FUTURES (LIFE) and FT-SE 100 INDEX OPTION (LIFE). Columns: Index, Open, Settle, Change, High, Low, Est. vol, Open int.

LONDON RECENT ISSUES: EQUITIES

Table: LONDON RECENT ISSUES: EQUITIES. Columns: Issue, Date, Price, Div, Net, P/E, Xd, Total Return. Lists various companies like Anglo, NatWest, and BOC.

FT GOLD MINES INDEX

Table: FT GOLD MINES INDEX. Columns: Index, Aug 13, Aug 12, Aug 8, Aug 7, Yr ago, Div, Net, P/E, Xd, Total Return.

FT-SE ACTUARIES SHARE INDICES: THE UK SERIES

Table: FT-SE ACTUARIES SHARE INDICES: THE UK SERIES. Columns: Index, Aug 13, Aug 12, Aug 8, Aug 7, Yr ago, Div, Net, P/E, Xd, Total Return. Lists various industry sectors.

Hourly movements

Table: Hourly movements. Columns: Index, Open, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, High/Low/Day.

FT-SE Actuarial 380 Industry baskets

Table: FT-SE Actuarial 380 Industry baskets. Columns: Index, Aug 13, Aug 12, Aug 8, Aug 7, Yr ago, Div, Net, P/E, Xd, Total Return.



SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really. Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing. And nothing is all they'll ever have unless we all extend a helping hand.

We're not even asking for money (though every cent certainly helps). But we are asking that you keep an open mind. And a smile of welcome. It may not seem much. But to a refugee it can mean everything.



UNHCR Public Information P.O. Box 2500 1211 Geneva 2, Switzerland

Additional information on the FT-SE Actuarial Share Indices is published in Saturday issues. The FT-SE Actuarial Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

Based on trading volume for a selection of major equities dealt through the SEAI system yesterday under Auction 1. Figures are FT-SE 100 Index constituent. All trades are rounded. Source: FT Data.

Handwritten Arabic text: سودا من الامل

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

Table listing stock market data for Europe, including indices like Nikkei, DAX, and CAC 40.

ASIA

Table listing stock market data for Asia, including indices like Hang Seng, Nikkei, and S&P 500.

AMERICA

Table listing stock market data for America, including indices like Dow Jones, S&P 500, and NASDAQ.

AFRICA

Table listing stock market data for Africa, including indices like FTSE 100, Nikkei, and S&P 500.

INDICES

Table listing various stock indices and their performance metrics.

Table listing stock market data for Europe (continued).

Table listing stock market data for Asia (continued).

Table listing stock market data for America (continued).

Table listing stock market data for Africa (continued).

INDICES

Table listing various stock indices and their performance metrics (continued).

Table listing stock market data for Europe (continued).

Table listing stock market data for Asia (continued).

Table listing stock market data for America (continued).

Table listing stock market data for Africa (continued).

INDICES

Table listing various stock indices and their performance metrics (continued).

Table listing stock market data for Europe (continued).

Table listing stock market data for Asia (continued).

Table listing stock market data for America (continued).

Table listing stock market data for Africa (continued).

INDICES

Table listing various stock indices and their performance metrics (continued).

Table listing stock market data for Europe (continued).

Table listing stock market data for Asia (continued).

Table listing stock market data for America (continued).

Table listing stock market data for Africa (continued).

INDICES

Table listing various stock indices and their performance metrics (continued).

US INDICES

Table listing US stock indices and their performance metrics.

US INDICES

Table listing US stock indices and their performance metrics (continued).

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Table listing US stock indices and their performance metrics (continued).

US INDICES

Table listing US stock indices and their performance metrics (continued).

INDEX FUTURES

Table listing index futures and their performance metrics.

INDEX FUTURES

Table listing index futures and their performance metrics (continued).

INDEX FUTURES

Table listing index futures and their performance metrics (continued).

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INDEX FUTURES

Table listing index futures and their performance metrics (continued).

INDEX FUTURES

Table listing index futures and their performance metrics (continued).

4 pm close August 13

NEW YORK STOCK EXCHANGE PRICES

Main table containing stock prices for various companies, organized into columns with headers like 'NEW YORK STOCK EXCHANGE PRICES' and 'NASDAQ LISTED STOCKS'. Includes sub-sections like 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

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SW logo and text: 'The best work in the world... Stock Exchange...'

Handwritten Arabic text: 'سوق الاسهم'

Continued on next page

4 pm close August 13

NYSE PRICES

Table of NYSE stock prices including columns for stock name, price, change, and volume. Includes sub-sections for 'Continued from previous page', 'V', 'W', 'U', 'T', 'X-Y-Z', and 'FT First Annual Corporate Sustainability Report'.

NASDAQ NATIONAL MARKET

4 pm close August 13

Table of NASDAQ National Market stock prices including columns for stock name, price, change, and volume. Includes sub-sections for 'Continued from previous page', 'V', 'W', 'U', 'T', 'X-Y-Z', and 'FT First Annual Corporate Sustainability Report'.

AMEX PRICES

4 pm close August 13

Table of AMEX stock prices including columns for stock name, price, change, and volume.

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